

**DENVER WEST PROMENADE METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023**

**DENVER WEST PROMENADE METROPOLITAN DISTRICT
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/19/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 846,044	\$ 948,445	\$ 1,025,681
REVENUE			
Property taxes	458,603	450,241	447,828
Specific ownership tax	35,206	32,629	31,348
Interest income	330	5,450	32,100
Total revenue	<u>494,139</u>	<u>488,320</u>	<u>511,276</u>
Total funds available	<u>1,340,183</u>	<u>1,436,765</u>	<u>1,536,957</u>
EXPENDITURES			
General Fund	72,649	83,952	110,000
Debt Service Fund 2013 Go Bonds	231,416	239,510	244,000
Debt Service Fund 2016 Sub-Bonds	87,673	87,622	547,000
Total expenditures	<u>391,738</u>	<u>411,084</u>	<u>901,000</u>
Total expenditures and transfers out requiring appropriation	<u>391,738</u>	<u>411,084</u>	<u>901,000</u>
ENDING FUND BALANCES	<u>\$ 948,445</u>	<u>\$ 1,025,681</u>	<u>\$ 635,957</u>
EMERGENCY RESERVE	\$ 2,500	\$ 2,500	\$ 2,500
DEBT SERVICE RESERVE - 2013 GO BONDS	165,828	165,828	165,828
DEBT SERVICE RESTRICTED	67,781	64,889	70,213
DEBT SERVICE SURPLUS - 2016 SUB-BONDS	300,000	300,000	300,000
DEBT SERVICE - 2023 OPTIONAL CALL	374,324	457,476	91,666
TOTAL RESERVE	<u>\$ 910,433</u>	<u>\$ 990,694</u>	<u>\$ 630,207</u>

No assurance provided. See summary of significant assumptions.

**DENVER WEST PROMENADE METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/19/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION			
Commercial	\$ 6,842,205	\$ 7,048,973	\$ 6,827,664
Personal Property	739,817	633,755	596,893
State assessed	86,545	85,434	38,627
Vacant land	609	609	609
Certified Assessed Value	<u>\$ 7,669,176</u>	<u>\$ 7,768,771</u>	<u>\$ 7,463,793</u>
MILL LEVY			
General	10.000	10.000	10.000
Debt Service - 2013 GO BONDS	28.435	29.215	30.067
Debt Service - 2016 SUB-BONDS	21.565	20.785	19.933
Total mill levy	<u>60.000</u>	<u>60.000</u>	<u>60.000</u>
PROPERTY TAXES			
General	\$ 76,692	\$ 77,687	\$ 74,638
Debt Service - 2013 GO BONDS	218,073	226,965	224,414
Debt Service - 2016 SUB-BONDS	165,386	161,474	148,776
Levied property taxes	460,151	466,125	447,828
Adjustments to actual/rounding	-	-	-
Refunds and abatements	(1,549)	(15,884)	-
Budgeted property taxes	<u>\$ 458,602</u>	<u>\$ 450,242</u>	<u>\$ 447,828</u>
BUDGETED PROPERTY TAXES			
General	\$ 76,434	\$ 75,039	\$ 74,638
Debt Service - 2013 GO BONDS	217,339	219,230	224,414
Debt Service - 2016 SUB-BONDS	164,830	155,971	148,776
	<u>\$ 458,602</u>	<u>\$ 450,242</u>	<u>\$ 447,828</u>

No assurance provided. See summary of significant assumptions.

**DENVER WEST PROMENADE METROPOLITAN DISTRICT
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/19/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 30,833	\$ 40,512	\$ 37,487
REVENUE			
Property taxes	76,434	75,039	74,638
Specific ownership tax	5,867	5,438	5,225
Interest income	27	450	900
Total revenue	<u>82,328</u>	<u>80,927</u>	<u>80,763</u>
Total funds available	<u>113,161</u>	<u>121,439</u>	<u>118,250</u>
EXPENDITURES			
General and administrative			
Accounting	18,857	25,000	30,000
Auditing	4,400	4,400	4,850
County Treasurer's fee	1,146	1,165	1,120
Dues and licenses	355	353	500
Election	-	1,500	2,500
Insurance and bonds	2,784	2,534	3,000
Legal services	5,107	7,500	15,000
Repay developer advance	40,000	40,000	45,000
Website	-	1,500	1,500
Contingency	-	-	6,530
Total expenditures	<u>72,649</u>	<u>83,952</u>	<u>110,000</u>
Total expenditures and transfers out requiring appropriation	<u>72,649</u>	<u>83,952</u>	<u>110,000</u>
ENDING FUND BALANCE	<u>\$ 40,512</u>	<u>\$ 37,487</u>	<u>\$ 8,250</u>
EMERGENCY RESERVE	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>
TOTAL RESERVE	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>

No assurance provided. See summary of significant assumptions.

**DENVER WEST PROMENADE METROPOLITAN DISTRICT
DEBT SERVICE FUND - 2013 GO BONDS
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/19/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 230,904	\$ 233,609	\$ 230,717
REVENUE			
Property taxes	217,339	219,230	224,414
Specific ownership tax	16,685	15,888	15,709
Interest income	97	1,500	9,200
Total revenue	<u>234,121</u>	<u>236,618</u>	<u>249,323</u>
Total funds available	<u>465,025</u>	<u>470,227</u>	<u>480,041</u>
EXPENDITURES			
Debt Service			
Bond interest Series 2013	186,156	184,106	181,544
Bond principal Series 2013	40,000	50,000	55,000
County Treasurer's fee	3,260	3,404	3,366
Paying agent fees	2,000	2,000	2,000
Contingency	-	-	2,090
Total expenditures	<u>231,416</u>	<u>239,510</u>	<u>244,000</u>
Total expenditures and transfers out requiring appropriation	<u>231,416</u>	<u>239,510</u>	<u>244,000</u>
ENDING FUND BALANCE	<u>\$ 233,609</u>	<u>\$ 230,717</u>	<u>\$ 236,041</u>
DEBT SERVICE RESERVE - 2013 GO BONDS	\$ 165,828	\$ 165,828	\$ 165,828
DEBT SERVICE RESTRICTED	67,781	64,889	70,213
TOTAL RESERVE	<u>\$ 233,609</u>	<u>\$ 230,717</u>	<u>\$ 236,041</u>

No assurance provided. See summary of significant assumptions.

**DENVER WEST PROMENADE METROPOLITAN DISTRICT
DEBT SERVICE FUND - 2016 SUB-BONDS
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/19/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 584,307	\$ 674,324	\$ 757,476
REVENUE			
Property Taxes	164,830	155,971	148,776
Specific Ownership tax	12,654	11,303	10,414
Interest Income	206	3,500	22,000
Total revenue	<u>177,690</u>	<u>170,774</u>	<u>181,190</u>
Total funds available	<u>761,997</u>	<u>845,098</u>	<u>938,666</u>
EXPENDITURES			
Debt Service			
Bond Interest Series 2016	82,200	82,200	82,200
Bond Principal Series 2016	-	-	457,000
County Treasurer's Fee	2,473	2,422	2,232
Paying Agent Fees	3,000	3,000	3,000
Contingency	-	-	2,568
Total expenditures	<u>87,673</u>	<u>87,622</u>	<u>547,000</u>
Total expenditures and transfers out requiring appropriation	<u>87,673</u>	<u>87,622</u>	<u>547,000</u>
ENDING FUND BALANCE	<u>\$ 674,324</u>	<u>\$ 757,476</u>	<u>\$ 391,666</u>
DEBT SERVICE SURPLUS - 2016 SUB-BONDS	\$ 300,000	\$ 300,000	\$ 300,000
DEBT SERVICE - 2023 OPTIONAL CALL	374,324	457,476	91,666
TOTAL RESERVE	<u>\$ 674,324</u>	<u>\$ 757,476</u>	<u>\$ 391,666</u>

No assurance provided. See summary of significant assumptions.

**DENVER WEST PROMENADE METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Denver West Promenade Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado was organized by order and decree of the District Court of Jefferson County on May 21, 2012, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City of Lakewood on April 9, 2012. The District's service area is located entirely within the City of Lakewood, Jefferson County, Colorado. The District was established to provide financing for the planning, design, acquisition, construction installation, relocation and redevelopment including all powers of a Metropolitan District as described in Colorado statues and the Colorado Constitutions except for certain limitations which have been placed upon fire protection, certain construction standards and specifications of the City of Lakewood and inclusion limitations. The District is also authorized to provide operation and maintenance services.

On May 8, 2012, District voters approved authorization for property taxes to be increased up to \$7,500,000 annually and taxes be increased up to \$7,500,000 annually by the imposition of a fee or fees to pay for the operations and maintenance expenditures of the District. In addition, voters approved taxes to be increased up to \$7,500,000 annually for multiple fiscal year intergovernmental agreements and taxes to be increased up to \$7,500,000 annually for multiple fiscal year private agreements. Total debt authorization was approved in the amount of \$82,500,000, \$7,500,000 for each of the following items including street improvements, parks and recreation, water, sanitation and storm sewer, transportation, mosquito control, safety protection, fire protection, television relay and translation, security and operations and maintenance. Additionally, \$7,500,000 was approved for intergovernmental agreements, \$7,500,000 for private agreements and \$7,500,000 for refunding debt. The election provided for intergovernmental agreements and private agreements as multi-fiscal year obligations, allows the District the authority to issue, create, execute and deliver mortgages, liens and other encumbrances on District real and personal property, authorized the District to establish, maintain and operate a system to transport the pubic and allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado Constitution or any other law. However, the District's Service Plan stipulates that the total debt that the District will be permitted to issue will not exceed \$5,000,000, exclusive of cost of issuance and not including refunding of debt. In addition, for the portion of any aggregate District's debt which exceeds 50% of the District's assessed valuation, the maximum debt mill levy shall be 50 mills or less. For the portion of the District's debt which is equal to or less than 50% 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 and, as a result, the mill levy may be such amount as is necessary to pay the debt service on such debt, without limitation of rate. Additionally, the maximum debt mill levy shall not apply to the District's ability to increase its mill levy as necessary for operation and maintenance services to its taxpayers.

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.

**DENVER WEST PROMENADE METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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.

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%.

The calculation of the taxes levied for collection is displayed on the Property Tax Summary Page of the budget.

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.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4%.

Expenditures

Administrative and Operations Expenditures

Administrative expenditures include the services necessary to maintain the District's administrative viability such as accounting, insurance, dues and memberships, and legal costs. These expenditures are based on estimates of the District's Board of Directors and consultants.

Debt Service

Principal and interest payments are provided based upon the debt amortization schedule from the Series 2013 and Series 2016 Bonds (discussed under Debt and Leases).

**DENVER WEST PROMENADE METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

Series 2013 Bonds

In April 2013, the District issued \$3,630,000 in Series 2013 Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds. The bonds are subject to mandatory redemption beginning December 1, 2015, and on December 1 annually thereafter through 2042, with the final payment due December 1, 2042. Interest is payable semi-annually on June 1 and December 1 beginning on June 1, 2013, at interest rates of 5.125% to 5.375%.

The Bonds are secured by and payable from Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: (1) the Required Mill Levy; (2) the portion of the Specific Ownership tax which is collected as a result of the imposition of the Required Mill Levy or any other debt service mill levy; (3) revenues derived from any PILOT (payment in lieu of taxes); and (4) any other legally available monies which the District determines to be treated as Pledged Revenue. The bonds are also secured by amounts held by the Trustee in the Reserve Fund, which was funded with proceeds in the amount of the Reserve Requirement of \$165,828.

If the Senior Debt to Assessed Ratio is greater than 50%, the Required Mill Levy is an ad valorem mill levy imposed upon all taxable property of the District each year in an amount necessary to generate Pledged Revenue sufficient to pay the principal of, premium if any, and interest on the Bonds as the same become due and payable, and to replenish the Reserve Fund to the Reserve Requirement, but not in excess of 50 mills and, for so long as the Surplus Fund is less than the Maximum Surplus Amount, not less than 45 mills. The maximum and minimum Required Mill Levies may be increased or decreased for changes occurring in the ratio of actual value to assessed value of property within the District. Once the Senior Debt to Assessed Ratio is 50% or less, the Required Mill Levy is an ad valorem mill levy imposed upon all taxable property of the District each year in an amount necessary to generate Pledged Revenue sufficient to pay the principal of, premium if any, and interest on the Bonds as the same become due and payable, and to replenish the Reserve Fund to the Reserve Requirement without limitation of rate.

The Surplus Fund was maintained by the Trustee until December 2015, the date upon which the Senior Debt to Assessed Ratio was 50% or less, at which time the Surplus Fund was terminated and the amounts then deposited in the Surplus Fund were released to the District's General Fund for application to any lawful purpose.

The Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities (and if in part in such order of maturities as the District shall determine and by lot within maturities), on June 1, 2023, and on any date thereafter, upon payment of par, and accrued interest thereon, without redemption premium.

**DENVER WEST PROMENADE METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and leases – (continued)

Series 2016 Bonds

In July 2016, the District issued Series 2016 Subordinate (Convertible to Senior) Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds in the amount of \$1,370,000. The Bonds bear interest at the rate of 6.0% per annum and due annually on December 15 of each year, beginning December 15, 2016, and a term of 30 years. The Bonds were issued for the purpose of financing the reimbursement of construction costs of various public improvements benefiting the District, and the costs of issuing the Bonds.

The Bonds are subject to mandatory sinking fund redemption, in part, by lot, on December 15, 2043, and on each December 15 thereafter prior to the maturity of the Bonds, upon payment of par and accrued interest, without redemption premium, in the annual amounts set forth below; provided, however, that after the occurrence of the Conversion Date, the sinking fund payments set forth below shall occur on December 1 and not December 15 of the specified year:

Year of Redemption (December 15)	Redemption Amount
2043	\$305,000
2044	335,000
2045	350,000
2046	380,000

Pursuant to the Indenture, the Bonds are secured by and payable from the Pledged Revenue, net of any costs of collection, which includes: (1) all Property Tax Revenues derived from the District's imposition of the Required Mill Levy; (2) all Specific Ownership Taxes received as a result of the imposition of the Required Mill Levy; (3) all PILOT Revenues; and (4) any other legally available moneys which the District determines, in its absolute discretion, to credit to the 2016 Bond Fund. The 2016 Required Mill Levy is defined as an amount necessary to pay debt service on the Bonds but: (a) it may not exceed 50 mills less the Senior Required Mill Levy; and (b) until the 2016 Surplus Fund is fully funded, it must equal 50 mills. On and after the Conversion Date, which occurs on the first mill levy certification date on which all of the outstanding bonds to assessed ratio is 50% or less, if any, the 2016 Required Mill Levy is an amount necessary to pay debt service on the Bonds without limitation as to rate, subject only to electoral and Constitutional limits.

The Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities (and if in part in such order of maturities as the District shall determine and by lot within maturities), on June 1, 2023, and on any date thereafter, upon payment of par, and accrued interest thereon, without redemption premium.

Developer Advances

The District has received developer advances, which are not statutory debts of the District. As of December 31, 2023, the District has estimated \$439,811 in outstanding developer advances including interest accrued at 6%. Repayment of advances is subject to annual appropriation if and when eligible funds become available. The District has budgeted additional developer advance payments in 2023.

**DENVER WEST PROMENADE METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and leases – (continued)

The District has no operating or capital leases.

The District’s developer advances are estimated through 2023 as shown below:

	Balance -			Balance -
	December 31,		Retirements/	December 31,
	2021	Additions	Reductions	2022
Developer Advances	\$ 97,829	\$ -	\$ (40,000)	\$ 57,829
Accrued Interest - Developer				
Advances	418,073	5,732	-	423,805
Total	\$ 515,902	\$ 5,732	\$ (40,000)	\$ 481,634
	Balance -			Balance -
	December 31,		Retirements/	December 31,
	2022	Additions	Reductions	2023
Developer Advances	\$ 57,829	\$ -	\$ (40,000)	\$ 17,829
Accrued Interest - Developer				
Advances	423,805	3,470	-	427,275
Total	\$ 481,634	\$ 3,470	\$ (40,000)	\$ 445,104

Reserve Funds

Emergency Reserve

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

This information is an integral part of the accompanying budget.

**DENVER WEST PROMENADE METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

Bonds and Interest Maturing in the Year Ending December 31,	\$3,630,000 General Obligation Bonds Series 2013 Interest 5.125% - 5.375% Dated April 16, 2013 Interest Payable June 1 and December 1 Principal Payable December 1			Bonds and Interest Maturing in the Year Ending December 31,	\$1,370,000 General Obligation Bonds Series 2016 Interest 6.000% Dated July 1, 2016 Interest Payable December 15 Principal Payable December 15		
	Principal	Interest	Total		Principal	Interest	Total
	2023	\$ 55,000	\$ 181,544		\$ 236,544	2023	\$ -
2024	65,000	178,725	243,725	2024	-	82,200	82,200
2025	70,000	175,394	245,394	2025	-	82,200	82,200
2026	80,000	171,806	251,806	2026	-	82,200	82,200
2027	85,000	167,706	252,706	2027	-	82,200	82,200
2028	100,000	163,350	263,350	2028	-	82,200	82,200
2029	105,000	158,225	263,225	2029	-	82,200	82,200
2030	120,000	152,844	272,844	2030	-	82,200	82,200
2031	125,000	146,694	271,694	2031	-	82,200	82,200
2032	145,000	140,288	285,288	2032	-	82,200	82,200
2033	155,000	132,494	287,494	2033	-	82,200	82,200
2034	170,000	124,163	294,163	2034	-	82,200	82,200
2035	180,000	115,025	295,025	2035	-	82,200	82,200
2036	205,000	105,350	310,350	2036	-	82,200	82,200
2037	215,000	94,331	309,331	2037	-	82,200	82,200
2038	240,000	82,775	322,775	2038	-	82,200	82,200
2039	250,000	69,875	319,875	2039	-	82,200	82,200
2040	275,000	56,438	331,438	2040	-	82,200	82,200
2041	290,000	41,656	331,656	2041	-	82,200	82,200
2042	485,000	26,069	511,069	2042	-	82,200	82,200
	<u>\$ 3,415,000</u>	<u>\$ 2,484,752</u>	<u>\$ 5,899,752</u>	2043	305,000	82,200	387,200
				2044	335,000	63,900	398,900
				2045	350,000	43,800	393,800
				2046	380,000	22,800	402,800
					<u>\$ 1,370,000</u>	<u>\$ 1,856,700</u>	<u>\$ 3,226,700</u>

No assurance provided. See summary of significant assumptions.