

BRADBURN METROPOLITAN DISTRICT NO. 2

2021 ANNUAL REPORT TO THE CITY OF WESTMINSTER

Pursuant to the Consolidated Service Plan for Bradburn Metropolitan District Nos. 1, 2 and 3, as modified by the First Amendment and Second Amendment to the original Consolidated Service Plan, Bradburn Metropolitan District No. 2 (the “District”) reports the following information to the City of Westminster for the year ending December 31, 2021.

To the best of our actual knowledge, for the year ending December 31, 2021, the District makes the following report:

1. Boundary changes made or proposed.

There were no boundary changes made or proposed in 2021.

2. Intergovernmental Agreements with other governmental bodies entered into or proposed.

None

3. Changes or proposed changes in the District’s policies.

There were no changes or proposed changes in the District’s policies in 2021.

4. Changes or proposed changes in the District’s operations.

There were no changes or proposed changes in the District’s operations in 2021.

5. Changes in the financial status of the District including revenue projections or operating costs.

Please see the District’s adopted 2021 budget, attached as **Exhibit A**.

6. A summary of any litigation which involves the District.

To our actual knowledge, based on review of the court records in Adams County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District as of December 31, 2021.

7. Proposed plans for the year immediately following the year summarized in the Annual Report.

The District does not anticipate constructing any public improvements in 2022. All Public Improvements have been constructed.

8. Status of Public Improvement Construction Schedule.

There were no Public Improvements constructed by the District in 2021. All Public Improvements have been constructed.

9. The assessed valuation of the District in 2021 was:

\$16,020,740.

10. Submission of the next year's budget and anticipated assessed mill levy to service the general obligation debt as well as the operations and maintenance costs.

A copy of the District's 2022 budget is attached as **Exhibit B**.

EXHIBIT A
2021 Budget

BRADBURN METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR YEAR ENDING DECEMBER 31, 2021

**BRADBURN METROPOLITAN DISTRICT NO. 2
SUMMARY
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/22/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 638,475	\$ 873,987	\$ 1,053,879
REVENUE			
Property taxes	881,727	926,592	920,018
Specific ownership tax	71,101	67,300	64,401
Interest income	19,264	5,900	5,210
Transfers from Bradburn No. 1	108	-	-
Development fees	-	145,000	-
Total revenue	<u>972,200</u>	<u>1,144,792</u>	<u>989,629</u>
Total funds available	<u>1,610,675</u>	<u>2,018,779</u>	<u>2,043,508</u>
EXPENDITURES			
General Fund	70,159	215,000	70,000
Debt Service Fund	666,529	749,900	920,000
Total expenditures	<u>736,688</u>	<u>964,900</u>	<u>990,000</u>
Total expenditures and transfers out requiring appropriation	<u>736,688</u>	<u>964,900</u>	<u>990,000</u>
ENDING FUND BALANCES	<u>\$ 873,987</u>	<u>\$ 1,053,879</u>	<u>\$ 1,053,508</u>
EMERGENCY RESERVE	\$ 2,500	\$ 7,000	\$ 2,600
SURPLUS FUND	446,103	648,250	648,250
SENIOR RESERVE FUND	324,125	324,125	324,125
DEBT SERVICE FUND BALANCE	83,506	46,418	32,203
TOTAL RESERVE	<u>\$ 856,234</u>	<u>\$ 1,025,793</u>	<u>\$ 1,007,178</u>

No assurance provided. See summary of significant assumptions.

BRADBURN METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

1/22/21

ACTUAL	ESTIMATED	BUDGET
2019	2020	2021

ASSESSED VALUATION - ADAMS COUNTY

Residential	\$ 5,963,000	\$ 6,026,770	\$ 6,033,560
Commercial	6,046,350	6,792,040	6,778,210
State assessed	780	820	820
Vacant land	391,860	391,860	391,860
Personal property	1,538,100	1,450,470	1,335,550
Certified Assessed Value	\$ 13,940,090	\$ 14,661,960	\$ 14,540,000

MILL LEVY

General	5.755	5.745	5.752
Debt Service	57.545	57.452	57.523
Total mill levy	63.300	63.197	63.275

PROPERTY TAXES

General	\$ 80,225	\$ 84,233	\$ 83,634
Debt Service	802,182	842,359	836,384
Levied property taxes	882,408	926,591	920,018
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	\$ 882,408	\$ 926,591	\$ 920,018

BUDGETED PROPERTY TAXES

General	\$ 80,224	\$ 84,233	\$ 83,634
Debt Service	802,182	842,358	836,384
Budgeted property taxes	\$ 882,408	\$ 926,591	\$ 920,018

No assurance provided. See summary of significant assumptions.

BRADBURN METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

1/22/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 9,410	\$ 20,253	\$ 35,086
REVENUE			
Property taxes	80,163	84,233	83,634
Interest income	731	600	210
Development fees	-	145,000	-
Total revenue	<u>81,002</u>	<u>229,833</u>	<u>83,844</u>
Total funds available	<u>90,412</u>	<u>250,086</u>	<u>118,930</u>
EXPENDITURES			
General and administrative			
Accounting	31,837	26,000	26,500
Auditing	9,450	5,200	5,460
County Treasurer's fee	1,206	1,263	1,255
Dues and licenses	649	544	571
Election expense	-	1,842	-
Insurance and bonds	5,450	5,550	5,900
Legal services	16,331	23,000	22,000
Miscellaneous	78	300	300
Contingency	-	6,301	8,014
Repay developer advance - principal	-	143,100	-
Dissolution	5,158	-	-
Capital			
Repay developer advance - interest	-	1,900	-
Total expenditures	<u>70,159</u>	<u>215,000</u>	<u>70,000</u>
Total expenditures and transfers out requiring appropriation	<u>70,159</u>	<u>215,000</u>	<u>70,000</u>
ENDING FUND BALANCE	<u>\$ 20,253</u>	<u>\$ 35,086</u>	<u>\$ 48,930</u>
EMERGENCY RESERVE	<u>\$ 2,500</u>	<u>\$ 7,000</u>	<u>\$ 2,600</u>
TOTAL RESERVE	<u>\$ 2,500</u>	<u>\$ 7,000</u>	<u>\$ 2,600</u>

No assurance provided. See summary of significant assumptions.

**BRADBURN METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/22/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 629,065	\$ 853,734	\$ 1,018,793
REVENUE			
Property taxes	801,564	842,359	836,384
Specific ownership tax	71,101	67,300	64,401
Interest income	18,533	5,300	5,000
Total revenue	<u>891,198</u>	<u>914,959</u>	<u>905,785</u>
Total funds available	<u>1,520,263</u>	<u>1,768,693</u>	<u>1,924,578</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	12,062	12,634	12,546
Paying agent fees	6,667	6,667	8,000
Contingency	-	1,699	5,454
Debt Service			
Bond Interest - Series 2018A	477,800	471,000	464,000
Bond interest - Series 2018B	-	82,900	250,000
Bond Principal - Series 2018A	170,000	175,000	180,000
Total expenditures	<u>666,529</u>	<u>749,900</u>	<u>920,000</u>
Total expenditures and transfers out requiring appropriation	<u>666,529</u>	<u>749,900</u>	<u>920,000</u>
ENDING FUND BALANCE	<u>\$ 853,734</u>	<u>\$ 1,018,793</u>	<u>\$ 1,004,578</u>
SURPLUS FUND	\$ 446,103	\$ 648,250	\$ 648,250
SENIOR RESERVE FUND	324,125	324,125	324,125
DEBT SERVICE FUND BALANCE	83,506	46,418	32,203
TOTAL RESERVE	<u>\$ 853,734</u>	<u>\$ 1,018,793</u>	<u>\$ 1,004,578</u>

No assurance provided. See summary of significant assumptions.

BRADBURN METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District was organized to provide construction, installation, financing and operation of public improvements, including water, wastewater, streets, park and recreation facilities, and other improvements needed for the District. The District was organized in conjunction with two other related districts, Bradburn Metropolitan District No. 1 and Bradburn Metropolitan District No. 3. Under the Consolidated Service Plan, as amended by a Second Modification dated August 22, 2016, District No. 1 is the Operating District, District No. 2 is the Financing District, and District No. 3 operates as an independent district. The District's service area is located entirely within the City of Westminster, Adams County, Colorado.

The District was formed by Court Order on November 28, 2000, with its formation election held on November 7, 2000. The election approved general obligation indebtedness of \$8,000,000 for street improvements, \$1,000,000 for traffic safety, \$5,500,000 for parks and recreation, \$2,500,000 for water supply system, \$2,500,000 for sanitary sewer system, \$1,000,000 for television relay system, \$1,000,000 for public transportation, \$500,000 for mosquito control, \$26,000,000 for debt associated with intergovernmental contracts, \$23,500,000 for refinancing of District debt, and \$2,500,000 for general operations and maintenance. The election also approved an annual increase in taxes of \$100,000 for general operations and maintenance, and \$2,500,000 in revenues other than ad valorem taxes.

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.

In 2019 Bradburn Metropolitan District No. 1 ("The District") started the dissolution process. Pursuant to the District's Service Plan approved by the City on September 11, 2000, as subsequently amended, subsequent to the financing and construction of the public improvements set forth in the Service Plan and upon the full payment or discharge of all its outstanding indebtedness and other financial obligations and upon completion of construction of all services and facilities, the District is to undertake effort for dissolution. A majority of all of the members of the Board of Directors deem it to be in the best interest of the District that it be dissolving. The District provides no services within its boundaries and all services authorized to be provided by the District are provided by Bradburn Metropolitan District No. 2 and Bradburn Metropolitan District No. 3, and as a result, no plan for the continuation of the District's services is necessary. The District does not have any outstanding bonds or other financial obligations, and possesses no assets requiring disposition prior to dissolution. Upon dissolution, the District's Board of Directors will immediately and permanently dissolve and none of members thereof will continue in the office.

In 2019 Bradburn Metropolitan District No. 2 started to operate as an independent district.

BRADBURN METROPOLITAN DISTRICT NO. 2
2021 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.

The District's maximum Required Mill Levy is 50.000 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable. As of December 31, 2021, the adjusted maximum mill levy for debt service is 57.523 mills.

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 by the District. The specific ownership taxes are pledged for the repayment of bonds; therefore, they are reported in the Debt Service Fund.

Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.5%.

Expenditures

General and administration Expenditures

General and administration expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, meeting, and other administrative expenses.

Debt Service

Principal and interest payments due this year are provided based on the debt amortization schedule from the Series 2018A Bonds (discussed under Debt and Leases).

BRADBURN METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases

Series 2018 General Obligation Bonds

On March 14, 2018, the District issued the 2018 Bonds in the par amounts of \$10,120,000 for the 2018A Senior Bonds, \$2,988,000 for the 2018B Subordinate Bonds, and \$3,271,000 for the 2018C Junior Lien Bonds. Proceeds of the 2018A Senior Bonds were applied to (i) pay the costs of refunding the District's General Obligation Bonds (Limited Tax Convertible to Unlimited Tax), Series 2004 and Supplemental General Obligation Limited Tax Bonds, Series 2004; (ii) finance or reimburse the costs of public improvements related to the development; (iii) fund the Senior Reserve Fund; and (iv) pay the costs of issuing the 2018 Bonds. Proceeds from the sale of the 2018B Subordinate Bonds were applied to (i) finance or reimburse public improvements related to the development; and (ii) pay other costs in connection with the issuance of the 2018B Subordinate Bonds. Proceeds from the 2018C Junior Lien Bonds were applied to pay and cancel obligations of the District to the Developer under Reimbursement Agreements.

The Senior Bonds are issued as term bonds that bear interest at 4.00% and 5.00%, and are payable semi-annually on June 1 and December 1, beginning on June 1, 2018. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2018. The Senior Bonds mature on December 1, 2047.

The Subordinate Bonds are issued at the rate of 7.25% per annum and are payable annually on December 15, beginning on December 15, 2018, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2047. 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. In the event any amount of principal or interest on the Subordinate Bonds remains unpaid after the application of all Subordinate Pledged Revenue on December 15, 2057, such amounts shall be deemed discharged and no longer be due and outstanding.

The 2018C Junior Lien Bonds bear interest at the rate of 7.50% per annum and is payable annually on December 15, beginning on December 15, 2018, from, and to the extent of, Junior Lien Pledged Revenue available, if any, and mature on December 15, 2051. The 2018C Junior Lien Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. In the event any amount of principal or interest on the 2018C Junior Lien Bonds remains unpaid after the application of all Junior Lien Pledged Revenue on December 15, 2057, such amounts shall be deemed discharged and no longer due and outstanding. In no event shall any principal, interest or Mandatory Redemption Price be paid on the 2018C Junior Lien Bonds until such time as there has been paid in full or defeased the 2018B Subordinate Bonds, and, to the extent required by the applicable Senior/Subordinate Obligation Indentures, any other Senior/Subordinated Obligations issued by the District.

At the end of the year 2018 the District accepted all of the remaining long-term liabilities from Bradburn Metropolitan District No. 1 in preparation for the Bradburn Metropolitan District No. 1 dissolution.

**BRADBURN METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

	Balance - December 31, 2019	Net Issues/ Additions	Retirements/ Refundings	Balance - December 31, 2020	Current Portion
2018A - \$10,120,000					
G.O. Bonds	\$ 9,790,000	\$ -	\$ 175,000	\$ 9,615,000	\$ 180,000
Subordinate Bonds	2,988,000	-	-	2,988,000	-
Accrued interest -					
2018B Subordinate Bonds	402,416	245,016	82,900	564,532	-
2018C - \$3,271,000					
Junior Lien Bonds	3,271,000	-	-	3,271,000	-
Accrued interest -					
2018C Junior Lien Bonds	456,234	279,543	-	735,777	-
Developer Advance - Operation	143,100	-	143,100	-	-
Accrued interest - Operation	214,710	-	-	214,710	-
Accrued interest - Capital	844,177	-	1,900	842,277	-
Total	<u>\$ 18,109,637</u>	<u>\$ 524,559</u>	<u>\$ 402,900</u>	<u>\$ 18,231,296</u>	<u>\$ 180,000</u>

	Balance - December 31, 2020	Net Issues/ Additions	Retirements/ Refundings	Balance - December 31, 2021	Current Portion
2018A - \$10,120,000					
G.O. Bonds	\$ 9,615,000	\$ -	\$ 180,000	\$ 9,435,000	\$ 190,000
Subordinate Bonds	2,988,000	-	-	2,988,000	-
Accrued interest -					
2018B Subordinate Bonds	564,532	256,769	250,000	571,301	-
2018C - \$3,271,000					
Junior Lien Bonds	3,271,000	-	-	3,271,000	-
Accrued interest -					
2018C Junior Lien Bonds	735,777	299,510	-	1,035,287	-
Developer Advance - Operation	214,710	-	-	214,710	-
Developer Advance - Capital	842,277	-	-	842,277	-
Total	<u>\$ 18,231,296</u>	<u>\$ 556,279</u>	<u>\$ 430,000</u>	<u>\$ 18,357,575</u>	<u>\$ 190,000</u>

This district has no operating or capital leases.

**BRADBURN METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserve Funds

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2021, as defined under TABOR.

Debt Service Reserve

The District maintains a Debt Service Reserve as required with the issuance of the Series 2018A Bonds.

This information is an integral part of the accompanying budget.

**BRADBURN METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$10,120,000			
General Obligation			
Refunding and Improvement Bonds			
Limited Tax (Convertible to Unlimited Tax)			
Series 2018A			
Dated March 14, 2018			
Interest Rate 4.000% - 5.000%			
Due June 1 and December 1			
Year Ended December 31,	Principal Due December 1		Total General Obligation Debt
	Principal	Interest	
2021	\$ 180,000	\$ 464,000	\$ 644,000
2022	190,000	456,800	646,800
2023	195,000	449,200	644,200
2024	205,000	441,400	646,400
2025	215,000	433,200	648,200
2026	220,000	424,600	644,600
2027	230,000	415,800	645,800
2028	240,000	406,600	646,600
2029	250,000	397,000	647,000
2030	260,000	384,500	644,500
2031	275,000	371,500	646,500
2032	290,000	357,750	647,750
2033	305,000	343,250	648,250
2034	320,000	328,000	648,000
2035	335,000	312,000	647,000
2036	350,000	295,250	645,250
2037	370,000	277,750	647,750
2038	385,000	259,250	644,250
2039	405,000	240,000	645,000
2040	425,000	219,750	644,750
2041	445,000	198,500	643,500
2042	470,000	176,250	646,250
2043	495,000	152,750	647,750
2044	520,000	128,000	648,000
2045	545,000	102,000	647,000
2046	570,000	74,750	644,750
2047	925,000	46,250	971,250
	\$ 9,615,000	\$ 8,156,100	\$ 17,771,100

The Subordinate Bonds Series 2018B and 2018C are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date.

No assurance provided. See summary of significant assumptions.

EXHIBIT B
2022 Budget

BRADBURN METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR YEAR ENDING DECEMBER 31, 2022

**BRADBURN METROPOLITAN DISTRICT NO. 2
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/9/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 873,987	\$ 1,027,843	\$ 1,052,922
REVENUE			
Property taxes	925,228	920,018	1,013,712
Specific ownership tax	68,001	64,401	70,960
Interest income	4,592	660	1,020
Development fees	145,000	-	-
Total revenue	<u>1,142,821</u>	<u>985,079</u>	<u>1,085,692</u>
Total funds available	<u>2,016,808</u>	<u>2,012,922</u>	<u>2,138,614</u>
EXPENDITURES			
General Fund	207,276	60,000	70,000
Debt Service Fund	781,689	900,000	995,000
Total expenditures	<u>988,965</u>	<u>960,000</u>	<u>1,065,000</u>
Total expenditures and transfers out requiring appropriation	<u>988,965</u>	<u>960,000</u>	<u>1,065,000</u>
ENDING FUND BALANCES	<u>\$ 1,027,843</u>	<u>\$ 1,052,922</u>	<u>\$ 1,073,614</u>
EMERGENCY RESERVE	\$ 2,600	\$ 2,500	\$ 2,800
SURPLUS FUND	648,250	648,250	648,250
SENIOR RESERVE FUND	324,125	324,125	324,125
DEBT SERVICE FUND BALANCE	12,897	14,231	12,702
TOTAL RESERVE	<u>\$ 987,872</u>	<u>\$ 989,106</u>	<u>\$ 987,877</u>

No assurance provided. See summary of significant assumptions.

BRADBURN METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/17/22

ACTUAL	ESTIMATED	BUDGET
2020	2021	2022

ASSESSED VALUATION - ADAMS COUNTY

Residential	\$ 6,026,770	\$ 6,033,560	\$ 7,399,130
Commercial	6,792,040	6,778,210	6,957,800
State assessed	820	820	1,340
Vacant land	391,860	391,860	391,860
Personal property	1,450,470	1,335,550	1,270,610
Certified Assessed Value	\$ 14,661,960	\$ 14,540,000	\$ 16,020,740

MILL LEVY

General	5.745	5.752	5.752
Debt Service	57.452	57.523	57.523
Total mill levy	63.197	63.275	63.275

PROPERTY TAXES

General	\$ 84,233	\$ 83,634	\$ 92,151
Debt Service	842,359	836,384	921,561
Levied property taxes	926,591	920,018	1,013,712
Adjustments to actual/rounding	(1,363)	-	-
Budgeted property taxes	\$ 925,228	\$ 920,018	\$ 1,013,712

BUDGETED PROPERTY TAXES

General	\$ 84,109	\$ 83,634	\$ 92,151
Debt Service	841,119	836,384	921,561
	\$ 925,228	\$ 920,018	\$ 1,013,712

No assurance provided. See summary of significant assumptions.

**BRADBURN METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/9/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 20,253	\$ 42,572	\$ 66,316
REVENUE			
Property taxes	84,109	83,634	92,151
Interest income	486	110	70
Development fees	145,000	-	-
Total revenue	<u>229,595</u>	<u>83,744</u>	<u>92,221</u>
Total funds available	<u>249,848</u>	<u>126,316</u>	<u>158,537</u>
EXPENDITURES			
General and administrative			
Accounting	24,753	26,500	29,150
Auditing	5,200	5,200	5,600
County Treasurer's fee	1,263	1,255	1,382
Dues and licenses	544	319	500
Election expense	1,950	-	2,000
Insurance and bonds	5,550	3,105	2,854
Legal services	23,016	15,000	22,000
Miscellaneous	-	300	300
Contingency	-	8,321	6,214
Capital			
Repay developer advance	127,500	-	-
Repay development fees	17,500	-	-
Total expenditures	<u>207,276</u>	<u>60,000</u>	<u>70,000</u>
Total expenditures and transfers out requiring appropriation	<u>207,276</u>	<u>60,000</u>	<u>70,000</u>
ENDING FUND BALANCE	<u>\$ 42,572</u>	<u>\$ 66,316</u>	<u>\$ 88,537</u>
EMERGENCY RESERVE	\$ 2,600	\$ 2,500	\$ 2,800
TOTAL RESERVE	<u>\$ 2,600</u>	<u>\$ 2,500</u>	<u>\$ 2,800</u>

No assurance provided. See summary of significant assumptions.

**BRADBURN METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/9/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 853,734	\$ 985,271	\$ 986,606
REVENUE			
Property taxes	841,119	836,384	921,561
Specific ownership tax	68,001	64,401	70,960
Interest income	4,106	550	950
Total revenue	<u>913,226</u>	<u>901,335</u>	<u>993,471</u>
Total funds available	<u>1,766,960</u>	<u>1,886,606</u>	<u>1,980,077</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	12,633	24,044	13,823
Paying agent fees	8,000	9,333	8,000
Contingency	-	4,623	6,377
Debt Service			
Bond Interest - Series 2018A	471,000	464,000	456,800
Bond interest - Series 2018B	115,056	218,000	320,000
Bond Principal - Series 2018A	175,000	180,000	190,000
Total expenditures	<u>781,689</u>	<u>900,000</u>	<u>995,000</u>
Total expenditures and transfers out requiring appropriation	<u>781,689</u>	<u>900,000</u>	<u>995,000</u>
ENDING FUND BALANCE	<u>\$ 985,271</u>	<u>\$ 986,606</u>	<u>\$ 985,077</u>
SURPLUS FUND	\$ 648,250	\$ 648,250	\$ 648,250
SENIOR RESERVE FUND	324,125	324,125	324,125
DEBT SERVICE FUND BALANCE	12,897	14,231	12,702
TOTAL RESERVE	<u>\$ 985,271</u>	<u>\$ 986,606</u>	<u>\$ 985,077</u>

No assurance provided. See summary of significant assumptions.

BRADBURN METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District was organized to provide construction, installation, financing and operation of public improvements, including water, wastewater, streets, park and recreation facilities, and other improvements needed for the District. The District was organized in conjunction with two other related districts, Bradburn Metropolitan District No. 1 and Bradburn Metropolitan District No. 3. Under the Consolidated Service Plan, as amended by a Second Modification dated August 22, 2016, District No. 1 is the Operating District, District No. 2 is the Financing District, and District No. 3 operates as an independent district. The District's service area is located entirely within the City of Westminster, Adams County, Colorado.

The District was formed by Court Order on November 28, 2000, with its formation election held on November 7, 2000. The election approved general obligation indebtedness of \$8,000,000 for street improvements, \$1,000,000 for traffic safety, \$5,500,000 for parks and recreation, \$2,500,000 for water supply system, \$2,500,000 for sanitary sewer system, \$1,000,000 for television relay system, \$1,000,000 for public transportation, \$500,000 for mosquito control, \$26,000,000 for debt associated with intergovernmental contracts, \$23,500,000 for refinancing of District debt, and \$2,500,000 for general operations and maintenance. The election also approved an annual increase in taxes of \$100,000 for general operations and maintenance, and \$2,500,000 in revenues other than ad valorem taxes.

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.

In 2019 Bradburn Metropolitan District No. 1 ("The District") started the dissolution process. Pursuant to the District's Service Plan approved by the City on September 11, 2000, as subsequently amended, subsequent to the financing and construction of the public improvements set forth in the Service Plan and upon the full payment or discharge of all its outstanding indebtedness and other financial obligations and upon completion of construction of all services and facilities, the District is to undertake effort for dissolution. A majority of all of the members of the Board of Directors deem it to be in the best interest of the District that it be dissolving. The District provides no services within its boundaries and all services authorized to be provided by the District are provided by Bradburn Metropolitan District No. 2 and Bradburn Metropolitan District No. 3, and as a result, no plan for the continuation of the District's services is necessary. The District does not have any outstanding bonds or other financial obligations, and possesses no assets requiring disposition prior to dissolution. Upon dissolution, the District's Board of Directors will immediately and permanently dissolve and none of members thereof will continue in the office.

In 2019 Bradburn Metropolitan District No. 2 started to operate as an independent district.

BRADBURN METROPOLITAN DISTRICT NO. 2
2022 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.

The District's maximum Required Mill Levy is 50.000 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable. As of December 31, 2022, the adjusted maximum mill levy for debt service is 57.523 mills.

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 by the District. The specific ownership taxes are pledged for the repayment of bonds; therefore, they are reported in the Debt Service Fund.

Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.1%.

Expenditures

General and administration Expenditures

General and administration expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, meeting, and other administrative expenses.

Debt Service

Principal and interest payments due this year are provided based on the debt amortization schedule from the Series 2018A Bonds (discussed under Debt and Leases).

BRADBURN METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases

Series 2018 General Obligation Bonds

On March 14, 2018, the District issued the 2018 Bonds in the par amounts of \$10,120,000 for the 2018A Senior Bonds, \$2,988,000 for the 2018B Subordinate Bonds, and \$3,271,000 for the 2018C Junior Lien Bonds. Proceeds of the 2018A Senior Bonds were applied to (i) pay the costs of refunding the District's General Obligation Bonds (Limited Tax Convertible to Unlimited Tax), Series 2004 and Supplemental General Obligation Limited Tax Bonds, Series 2004; (ii) finance or reimburse the costs of public improvements related to the development; (iii) fund the Senior Reserve Fund; and (iv) pay the costs of issuing the 2018 Bonds. Proceeds from the sale of the 2018B Subordinate Bonds were applied to (i) finance or reimburse public improvements related to the development; and (ii) pay other costs in connection with the issuance of the 2018B Subordinate Bonds. Proceeds from the 2018C Junior Lien Bonds were applied to pay and cancel obligations of the District to the Developer under Reimbursement Agreements.

The Senior Bonds are issued as term bonds that bear interest at 4.00% and 5.00%, and are payable semi-annually on June 1 and December 1, beginning on June 1, 2018. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2018. The Senior Bonds mature on December 1, 2047.

The Subordinate Bonds are issued at the rate of 7.25% per annum and are payable annually on December 15, beginning on December 15, 2018, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2047. 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. In the event any amount of principal or interest on the Subordinate Bonds remains unpaid after the application of all Subordinate Pledged Revenue on December 15, 2057, such amounts shall be deemed discharged and no longer be due and outstanding.

The 2018C Junior Lien Bonds bear interest at the rate of 7.50% per annum and is payable annually on December 15, beginning on December 15, 2018, from, and to the extent of, Junior Lien Pledged Revenue available, if any, and mature on December 15, 2051. The 2018C Junior Lien Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. In the event any amount of principal or interest on the 2018C Junior Lien Bonds remains unpaid after the application of all Junior Lien Pledged Revenue on December 15, 2057, such amounts shall be deemed discharged and no longer due and outstanding. In no event shall any principal, interest or Mandatory Redemption Price be paid on the 2018C Junior Lien Bonds until such time as there has been paid in full or defeased the 2018B Subordinate Bonds, and, to the extent required by the applicable Senior/Subordinate Obligation Indentures, any other Senior/Subordinated Obligations issued by the District.

At the end of the year 2018 the District accepted all of the remaining long-term liabilities from Bradburn Metropolitan District No. 1 in preparation for the Bradburn Metropolitan District No. 1 dissolution.

**BRADBURN METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

	Balance - December 31, 2020	Net Issues/ Additions	Retirements/ Refundings	Balance - December 31, 2021	Current Portion
2018A - \$10,120,000					
G.O. Bonds	\$ 9,615,000	\$ -	\$ 180,000	\$ 9,435,000	\$ 190,000
Subordinate Bonds	2,988,000	-	-	2,988,000	-
Accrued interest -					
2018B Subordinate Bonds	532,795	254,517	218,000	569,312	-
2018C - \$3,271,000					
Junior Lien Bonds	3,271,000	-	-	3,271,000	-
Accrued interest -					
2018C Junior Lien Bonds	735,776	300,508	-	1,036,284	-
Developer Advance - Operation	15,600	8,489	-	24,089	-
Accrued interest - Operation	223,199	-	-	223,199	-
Accrued interest - Capital	844,177	-	-	844,177	-
Total	<u>\$ 18,225,547</u>	<u>\$ 563,514</u>	<u>\$ 398,000</u>	<u>\$ 18,391,061</u>	<u>\$ 190,000</u>

	Balance - December 31, 2021	Net Issues/ Additions	Retirements/ Refundings	Balance - December 31, 2022	Current Portion
2018A - \$10,120,000					
G.O. Bonds	\$ 9,435,000	\$ -	\$ 190,000	\$ 9,245,000	\$ 195,000
Subordinate Bonds	2,988,000	-	-	2,988,000	-
Accrued interest -					
2018B Subordinate Bonds	569,312	256,004	320,000	505,316	-
2018C - \$3,271,000					
Junior Lien Bonds	3,271,000	-	-	3,271,000	-
Accrued interest -					
2018C Junior Lien Bonds	1,036,284	323,046	-	1,359,330	-
Developer Advance - Operation	24,089	8,489	-	32,578	-
Accrued interest - Operation	223,199	-	-	223,199	-
Accrued interest - Capital	844,177	-	-	844,177	-
Total	<u>\$ 18,391,061</u>	<u>\$ 587,539</u>	<u>\$ 510,000</u>	<u>\$ 18,468,600</u>	<u>\$ 195,000</u>

This district has no operating or capital leases.

**BRADBURN METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserve Funds

Emergency Reserve

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

Debt Service Reserve

The District maintains a Debt Service Reserve as required with the issuance of the Series 2018A Bonds.

This information is an integral part of the accompanying budget.

**BRADBURN METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$10,120,000				
General Obligation				
Refunding and Improvement Bonds				
Limited Tax (Convertible to Unlimited Tax)				
Series 2018A				
Dated March 14, 2018				
Interest Rate 4.000% - 5.000%				
Due June 1 and December 1				
Year Ended December 31,	Principal Due December 1		Total	
	Principal	Interest	General Obligation Debt	
2022	\$ 190,000	\$ 456,800	\$ 646,800	
2023	195,000	449,200	644,200	
2024	205,000	441,400	646,400	
2025	215,000	433,200	648,200	
2026	220,000	424,600	644,600	
2027	230,000	415,800	645,800	
2028	240,000	406,600	646,600	
2029	250,000	397,000	647,000	
2030	260,000	384,500	644,500	
2031	275,000	371,500	646,500	
2032	290,000	357,750	647,750	
2033	305,000	343,250	648,250	
2034	320,000	328,000	648,000	
2035	335,000	312,000	647,000	
2036	350,000	295,250	645,250	
2037	370,000	277,750	647,750	
2038	385,000	259,250	644,250	
2039	405,000	240,000	645,000	
2040	425,000	219,750	644,750	
2041	445,000	198,500	643,500	
2042	470,000	176,250	646,250	
2043	495,000	152,750	647,750	
2044	520,000	128,000	648,000	
2045	545,000	102,000	647,000	
2046	570,000	74,750	644,750	
2047	925,000	46,250	971,250	
	<u>\$ 9,435,000</u>	<u>\$ 7,692,100</u>	<u>\$ 17,127,100</u>	

The Subordinate Bonds Series 2018B and 2018C are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date.

No assurance provided. See summary of significant assumptions.