

RESOLUTION NO. 2022-12-01

RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY

RESOLUTION OF THE BOARD OF DIRECTORS OF BROADWAY PARK NORTH METROPOLITAN DISTRICT NO. 2, CITY AND COUNTY OF DENVER, COLORADO, PURSUANT TO SECTION 29-1-108, C.R.S., SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY FOR THE BUDGET YEAR 2023

A. The Board of Directors of Broadway Park North Metropolitan District No. 2 (the “**District**”) has appointed CliftonLarsonAllen LLP to prepare and submit a proposed budget to said governing body at the proper time.

B. CliftonLarsonAllen LLP has submitted a proposed budget to this governing body by October 15, 2022 for its consideration.

C. Upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on December 5, 2022, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget.

D. The budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“**TABOR**”) and other laws or obligations which are applicable to or binding upon the District.

E. Whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

F. The Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget.

G. It is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF BROADWAY PARK NORTH METROPOLITAN DISTRICT NO. 2, CITY AND COUNTY OF DENVER, COLORADO:

1. The budget, as submitted, amended, and summarized by fund, is hereby approved and adopted as the budget of the District for the year stated above.

2. The budget is hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. The sums set forth as the total expenditures of each fund in the budget attached hereto as **Exhibit A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION TO ADOPT BUDGET AND
APPROPRIATE SUMS OF MONEY]**

RESOLUTION APPROVED AND ADOPTED on December 5, 2022.

**BROADWAY PARK NORTH
METROPOLITAN DISTRICT NO. 2**

By: Daniel M. Cohen
President

Attest:

By: 
Secretary

EXHIBIT A

Budget

BROADWAY PARK NORTH METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023

BROADWAY PARK NORTH METROPOLITAN DISTRICT NO. 2
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ending December 31,

1/25/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	20,238,683	8,060,417	3,533,373
REVENUE			
Property taxes	832,065	1,308,011	1,392,058
Specific Ownership Taxes	53,745	73,311	69,603
Property Taxes Regional	86,891	136,951	147,770
Regional Specific Ownership Taxes	5,082	9,766	7,389
Net Investment Income	6,294	8,000	68,000
Other revenue	4,636	-	-
Total revenue	988,713	1,536,039	1,684,820
Total funds available	21,227,396	9,596,456	5,218,193
EXPENDITURES			
General Fund	273,701	423,771	453,713
Debt Service Fund	1,418,785	1,408,533	1,435,000
Capital Projects fund	11,474,493	4,230,779	-
Total expenditures	13,166,979	6,063,083	1,888,713
Total expenditures and transfers out requiring appropriation	13,166,979	6,063,083	1,888,713
ENDING FUND BALANCES	8,060,417	3,533,373	3,329,480
CAPITALIZED INTEREST	1,936,717	538,692	-
DEBT SERVICE RESERVE FUND	1,398,025	1,398,025	1,398,025
SURPLUS FUND - SERIES 2019 (\$2,000,000 MAXIMUM)	-	1,596,656	1,931,455
TOTAL RESERVE	3,334,742	3,533,373	3,329,480

No assurance provided. See summary of significant assumptions.

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

1/25/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION			
Residential - Multi Family	\$ -	\$ -	\$ 7,681,280
Commercial	-	-	19,555,910
Vacant Land	-	-	30
Personal property	-	-	1,196,510
Certified Assessed Value	<u>\$ 21,939,330</u>	<u>\$ 26,717,000</u>	<u>\$ 28,433,730</u>
MILL LEVY			
General Fund	10.000	10.000	10.000
Debt Service	38.464	38.958	38.958
Regional Mill Levy	5.061	5.126	5.197
Total mill levy	<u>53.525</u>	<u>54.084</u>	<u>54.155</u>
PROPERTY TAXES			
General Fund	\$ 219,393	\$ 267,170	\$ 284,337
Debt Service	843,874	1,040,841	1,107,721
Property Taxes Regional	111,035	136,951	147,770
Budgeted property taxes	<u>\$ 1,174,302</u>	<u>\$ 1,444,962</u>	<u>\$ 1,539,828</u>
BUDGETED PROPERTY TAXES			
General	\$ 171,687	\$ 267,170	\$ 284,337
Debt Service	660,378	1,040,841	1,107,721
Property Taxes Regional	86,891	136,951	147,770
	<u>\$ 918,956</u>	<u>\$ 1,444,962</u>	<u>\$ 1,539,828</u>

No assurance provided. See summary of significant assumptions.

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

1/25/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	-	-	-
REVENUE			
Property taxes	171,687	267,170	284,337
Specific Ownership Taxes	10,041	9,884	14,217
Property Taxes Regional	86,891	136,951	147,770
Regional Specific Ownership Taxes	5,082	9,766	7,389
Total revenue	<u>273,701</u>	<u>423,771</u>	<u>453,713</u>
Total funds available	<u>273,701</u>	<u>423,771</u>	<u>453,713</u>
EXPENDITURES			
Miscellaneous	-	2,672	-
County Treasurer's Fees	1,679	-	2,843
County Treasurer's Fees Regional	849	1,370	1,478
Payment to CCOD	89,241	145,347	153,681
Transfer to BPNMD No. 1	176,332	274,382	295,711
Interest on Abatement	5,600	-	-
Total expenditures	<u>273,701</u>	<u>423,771</u>	<u>453,713</u>
Total expenditures and transfers out requiring appropriation	<u>273,701</u>	<u>423,771</u>	<u>453,713</u>
ENDING FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>

No assurance provided. See summary of significant assumptions.

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

1/25/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 4,540,939	\$ 3,832,638	\$ 3,533,373
REVENUE			
Property taxes	660,378	1,040,841	1,107,721
Specific Ownership Taxes	43,704	63,427	55,386
Net Investment Income	1,766	5,000	68,000
Other revenue	4,636	-	-
Total revenue	<u>710,484</u>	<u>1,109,268</u>	<u>1,231,107</u>
Total funds available	<u>5,251,423</u>	<u>4,941,906</u>	<u>4,764,480</u>
EXPENDITURES			
County Treasurer's Fees	6,456	10,408	11,077
Interest on Abatement	14,304	-	-
Trustee/Paying Agent Fee	-	100	100
Bond Interest - Series 2020	1,398,025	1,398,025	1,398,025
Contingency	-	-	25,798
Total expenditures	<u>1,418,785</u>	<u>1,408,533</u>	<u>1,435,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,418,785</u>	<u>1,408,533</u>	<u>1,435,000</u>
ENDING FUND BALANCE	<u>\$ 3,832,638</u>	<u>\$ 3,533,373</u>	<u>\$ 3,329,480</u>
CAPITALIZED INTEREST	\$ 1,936,717	\$ 538,692	\$ -
DEBT SERVICE RESERVE FUND	1,398,025	1,398,025	1,398,025
SURPLUS FUND - SERIES 2019 (\$2,000,000 MAXIMUM)	497,896	1,596,656	1,931,455
TOTAL RESERVE	<u>\$ 3,832,638</u>	<u>\$ 3,533,373</u>	<u>\$ 3,329,480</u>

No assurance provided. See summary of significant assumptions.

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

1/25/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	15,697,744	4,227,779	-
REVENUE			
Net Investment Income	4,528	3,000	-
Total revenue	<u>4,528</u>	<u>3,000</u>	-
Total funds available	<u>15,702,272</u>	<u>4,230,779</u>	-
EXPENDITURES			
Transfer to BPNMD No. 1	11,461,115	4,230,779	-
Legal	13,378	-	-
Total expenditures	<u>11,474,493</u>	<u>4,230,779</u>	-
Total expenditures and transfers out requiring appropriation	<u>11,474,493</u>	<u>4,230,779</u>	-
ENDING FUND BALANCE	<u>4,227,779</u>	-	-

No assurance provided. See summary of significant assumptions.

BROADWAY PARK NORTH METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

Broadway Park North Metropolitan District No. 2 (District) was organized on December 8, 2010 as BMP Metropolitan District No. 2 in Denver County as a quasi-municipal corporation and political subdivision of the state of Colorado and is governed pursuant to the provisions of the Colorado Special District Act together with Broadway Park North Metropolitan District No. 1 (District No. 1) and Broadway Park North Metropolitan District No. 3 (District No. 3). The District, District No. 1 and District No. 3 are collectively referred to as the Districts. On August 2, 2018, the Districts changed their names from BMP Metropolitan District No. 1, BMP Metropolitan District No. 2 and BMP Metropolitan District No. 3.

The Districts entered into a Facilities Funding, Construction and Operations Agreement with an effective date of January 1, 2020 (FFCOA) The FFCOA establishes District No. 1's responsibility, as the Service District, to coordinate the construction, design, financing and operation and maintenance of the public improvements that benefit the Districts, establishes District No. 2 and District No. 3's obligation, as the Consumer Districts, to pay for the services and benefit of the public improvements provided by District No. 1. Specifically, District No. 1 is responsible for providing all Actual Capital Costs and Actual Operations and Maintenance Costs (as such terms are defined in the FFCOA) for the Districts. The Consumer Districts agree to pay District No. 1 their funding obligations each year pursuant to the terms of the FFCOA.

The District coordinates with the City and County of Denver (City) regarding all regional improvements and services contributed by the Districts through the Regional Mill Levy. Upon completion of construction, the District will transfer certain improvements to the City, or other organizations. The District may operate and maintain all other improvements not conveyed to other entities.

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 requirements of Colorado Revised Statutes C.R.S. 29-1-105.

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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected to the District on a monthly basis.

BROADWAY PARK NORTH METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues (Continued)

Property Taxes (Continued)

The District's Service Plan provides that the District's debt mill levy may be adjusted to take into account legislative or constitutionally imposed adjustments in assessed values or the method of their calculation (as of January 1, 2010), so that, to the extent possible, the actual revenues generated are neither diminished nor enhanced as a result of such changes. Among other adjustments, a change in the ratio of actual valuation of assessable property (assessment ratio) shall be deemed a change in the method of calculating assessed valuation. The District's Service Plan further provides that operations mill levy will be set to meet the District's budgetary needs on an annual basis. For collection year 2023, the District's mill levy is 38.958 mills for debt service and 10.000 mills for operations.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the mill levy adopted 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 5% of the property taxes collected by both the General Fund and Debt Service Fund.

Expenditures

Transfers to Other Entities

The District will transfer property taxes, net of fees, derived from the operations mill levy, together with specific ownership taxes, to Broadway Parke North Metropolitan District No. 1 to pay for operations and maintenance expenditures.

The District is also authorized to impose a mill levy of 5.000 mills (as adjusted) to generate revenue for regional improvements as determined by the City and County of Denver (CCOD). The District will transfer property taxes, net of fees, derived from the Regional Improvements Mill Levy, together with specific ownership taxes, to the City to contribute to the funding of the Regional Improvements. For collection year 2023, the District's mill levy is 5.197 mills for regional improvements.

County Treasurer's Fees

County Treasurer's Fees have been computed at 1% of property tax collections.

Debt Service

Interest Payments are provided based on the debt amortization schedule from the Series 2020 Bond (discussed under Debt and Leases).

BROADWAY PARK NORTH METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases

The District issued \$28,370,000 of Limited Tax General Obligation Refunding and Improvement Bonds, Series 2020 (Series 2020 Bonds”), on September 30, 2020 to fund: 1) a portion of the costs of acquiring, constructing, and/or installing certain public improvements to serve the development, 2) the repayment of all of the principal and accrued interest on District No. 3’s Series 2013 Loan, 3) a portion of the interest to accrue on the Series 2020 Bonds, 4) a deposit to the Reserve Fund, and 5) pay issuance and other costs in connection with the Series 2020 Bonds. The Series 2020 Bonds carry a fixed rate ranging from 3.375% to 5.000% . Interest is payable semiannually on June 1 and December 1. Principal is due on each December 1 beginning December 1, 2024, and mature on December 1, 2049. The Series 2020 Bonds are subject to redemption prior to maturity at the option of District in whole or in integral multiples of \$1,000, in any order determined by the District and by lot within a maturity, at any time on and after December 1, 2025, upon payment of par and accrued interest, with a redemption premium ranging from 1.000% to 3.000%

Reserve Funds

Emergency Reserve

District No. 1 has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for District No. 2 as defined under TABOR.

Debt Service Reserve

The District is required to maintain a debt service reserve in accordance with the Series 2020 bond issuance. This reserve has been established.

This information is an integral part of the accompanying budget.

**BROADWAY PARK NORTH METROPOLITAN DISTRICT NO 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$28,370,000

General Obligation Refunding and Improvement Bonds

Dated September 30, 2020

Series 2020

Interest Rates Ranging from 3.375% to 5.00%

Payable June 1 and December 1

Principal Due December 1

Bonds and Interest Maturing in the Year Ending December 31,	Principal	Interest	Total
2023	\$ -	\$ 1,398,025	\$ 1,398,025
2024	10,000	1,398,025	1,408,025
2025	615,000	1,397,688	2,012,688
2026	635,000	1,376,931	2,011,931
2027	655,000	1,355,500	2,010,500
2028	685,000	1,322,750	2,007,750
2029	720,000	1,288,500	2,008,500
2030	760,000	1,252,500	2,012,500
2031	795,000	1,214,500	2,009,500
2032	835,000	1,174,750	2,009,750
2033	875,000	1,133,000	2,008,000
2034	920,000	1,089,250	2,009,250
2035	965,000	1,043,250	2,008,250
2036	1,015,000	995,000	2,010,000
2037	1,065,000	944,250	2,009,250
2038	1,120,000	891,000	2,011,000
2039	1,175,000	835,000	2,010,000
2040	1,235,000	776,250	2,011,250
2041	1,295,000	714,500	2,009,500
2042	1,360,000	649,750	2,009,750
2043	1,430,000	581,750	2,011,750
2044	1,500,000	510,250	2,010,250
2045	1,575,000	435,250	2,010,250
2046	1,655,000	356,500	2,011,500
2047	1,735,000	273,750	2,008,750
2048	1,825,000	187,000	2,012,000
2049	1,915,000	95,750	2,010,750
	\$ 28,370,000	24,690,669	53,060,669

No assurance provided. See summary of significant assumptions.

I, Chris Waggett, hereby certify that I am the duly appointed Secretary of the Broadway Park North Metropolitan District No. 2, and that the foregoing is a true and correct copy of the budget for the budget year 2023, duly adopted at a meeting of the Board of Directors of the Broadway Park North Metropolitan District No. 2 held on December 5, 2022.



Secretary