

Willow Bend Metropolitan District

2021 Annual Report

**WILLOW BEND METROPOLITAN DISTRICT
CITY OF THORNTON, STATE OF COLORADO
ANNUAL REPORT FOR FISCAL YEAR 2021**

Pursuant to the Service Plan for Willow Bend Metropolitan District (the “**District**”), the District is required to provide an annual report to the City of Thornton (the “**City**”) with regard to the following matters:

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 to the District’s boundary as of December 31 of the prior year.

There were no boundary changes made or proposed to the District’s boundaries in 2021.

2. Intergovernmental Agreements with other governmental entities either entered into or proposed as of December 31 of the prior year.

No new Intergovernmental Agreements were entered into for the year ending December 31, 2021.

3. Copies of the District’s rules and regulations, if any, as of December 31 of the prior year.

As of December 31, 2021, the District had not yet adopted rules and regulations.

4. A summary of any litigation which involves the District Public Improvements as of December 31 of the prior year.

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 Public Improvements as of December 31, 2021.

5. Status of the District’s construction of the Public Improvements as of December 31 of the prior year.

The Public Improvements within the District are being constructed by the developer of the project. The District engineer has certified public improvement costs related to grading, sanitary sewer, water, storm sewer, concrete and asphalt in the amount of \$26,266,497.27.

6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.

The facilities and improvements within the District are being constructed by the developer of the project. The City accepts improvements upon completion of a given phase. The District has not constructed any facilities or improvements.

7. The assessed valuation of the District for the current year.

The District received certification of valuation from Adams County Assessor that reports a taxable assessed valuation for 2021 of \$7,931,770. The report is attached hereto as **Exhibit A**.

8. Current year budget including a description of the Public Improvements to be constructed in such year.

The 2022 budget for the District is attached hereto as **Exhibit B**. The District does not plan to construct any public improvements during 2022, as all Public Improvements within the District are being constructed by the developer of the project.

9. Audit of the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.

The District's 2021 audit has not yet been completed. A copy of the 2021 audit will be sent to the City under separate cover upon completion.

10. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.

There are no uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.

11. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

None.

EXHIBIT A

2021 Assessed Valuation

CERTIFICATION OF VALUATION BY ADAMS COUNTY ASSESSOR

Name of Jurisdiction: **408 - WILLOW BEND METRO DISTRICT**

IN ADAMS COUNTY ON 11/30/2021

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2021 IN ADAMS COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$6,482,750
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$7,931,770
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$7,931,770
5. NEW CONSTRUCTION: **	\$2,488,080
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD ## OR LAND (29-1-301(1)(b) C.R.S.):	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$162.58

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2021 IN ADAMS COUNTY, COLORADO ON AUGUST 25, 2021

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$88,602,984
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$34,798,783
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0
(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
---	-----

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2021

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	
** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.	

EXHIBIT B

2022 Budget

WILLOW BEND METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022

**WILLOW BEND METROPOLITAN DISTRICT
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/1/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 5,914,166	\$ 2,367,908	\$ 1,921,475
REVENUES			
Property taxes	206,940	393,270	481,173
Specific ownership tax	15,187	19,500	34,079
Interest income	30,505	1,208	2,000
Developer advance	1,868,282	8,737,000	45,000
Total revenues	<u>2,120,914</u>	<u>9,150,978</u>	<u>562,252</u>
TRANSFERS IN	<u>8,052</u>	<u>265</u>	<u>-</u>
Total funds available	<u>8,043,132</u>	<u>11,519,151</u>	<u>2,483,727</u>
EXPENDITURES			
General Fund	74,508	68,983	85,000
Debt Service Fund	832,645	828,163	840,000
Capital Projects Fund	4,760,019	8,700,265	-
Total expenditures	<u>5,667,172</u>	<u>9,597,411</u>	<u>925,000</u>
TRANSFERS OUT	<u>8,052</u>	<u>265</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>5,675,224</u>	<u>9,597,676</u>	<u>925,000</u>
ENDING FUND BALANCES	<u>\$ 2,367,908</u>	<u>\$ 1,921,475</u>	<u>\$ 1,558,727</u>
EMERGENCY RESERVE	\$ 600	\$ 1,100	\$ 1,300
CAPITALIZED INTEREST	822,750	57,250	-
RESERVE FUND (\$1,294,000)	1,294,000	1,294,000	1,294,000
SURPLUS FUND (Maximum: \$1,645,500)	251,789	569,182	260,852
TOTAL RESERVE	<u>\$ 2,369,139</u>	<u>\$ 1,921,532</u>	<u>\$ 1,556,152</u>

No assurance provided. See summary of significant assumptions.

**WILLOW BEND METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/1/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION			
Residential	\$ 148,170	\$ 2,383,870	5,842,060
Commercial	-	25,170	23,610
State assessed	90	53,240	51,640
Vacant land	3,261,370	4,004,030	1,998,600
Oil & Gas	-	16,440	15,860
Certified Assessed Value	<u>\$ 3,411,270</u>	<u>\$ 6,482,750</u>	<u>\$ 7,931,770</u>
MILL LEVY			
General	5.000	5.000	5.000
Debt Service	55.663	55.664	55.664
Total mill levy	<u>60.663</u>	<u>60.664</u>	<u>60.664</u>
PROPERTY TAXES			
General	\$ 17,056	\$ 32,414	\$ 39,659
Debt Service	189,882	360,856	441,514
Levied property taxes	<u>206,938</u>	<u>393,270</u>	<u>481,173</u>
Adjustments to actual/rounding	2	-	-
Budgeted property taxes	<u>\$ 206,940</u>	<u>\$ 393,269</u>	<u>\$ 481,172</u>
BUDGETED PROPERTY TAXES			
General	\$ 17,056	\$ 32,414	\$ 39,659
Debt Service	189,884	360,856	441,514
	<u>\$ 206,940</u>	<u>\$ 393,270</u>	<u>\$ 481,173</u>

No assurance provided. See summary of significant assumptions.

**WILLOW BEND METROPOLITAN DISTRICT
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/1/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 62,707	\$ (631)	\$ 1,043
REVENUES			
Property taxes	17,056	32,414	39,659
Specific ownership tax	1,252	1,500	3,173
Interest income	552	8	-
Developer advance	-	37,000	45,000
Total revenues	<u>18,860</u>	<u>70,922</u>	<u>87,832</u>
Total funds available	<u>81,567</u>	<u>70,291</u>	<u>88,875</u>
EXPENDITURES			
General and administrative			
Accounting	28,875	30,000	32,000
Auditing	4,500	4,500	5,000
County Treasurer's fee	260	486	595
Dues and licenses	-	500	1,000
District management	6,175	10,000	12,000
Election expense	14,558	-	2,500
Insurance and bonds	2,260	4,997	3,500
Legal services	17,662	18,000	25,000
Miscellaneous	218	500	1,000
Contingency	-	-	2,405
Total expenditures	<u>74,508</u>	<u>68,983</u>	<u>85,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>7,690</u>	<u>265</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>82,198</u>	<u>69,248</u>	<u>85,000</u>
ENDING FUND BALANCES	<u>\$ (631)</u>	<u>\$ 1,043</u>	<u>\$ 3,875</u>
EMERGENCY RESERVE	<u>\$ 600</u>	<u>\$ 1,100</u>	<u>\$ 1,300</u>
TOTAL RESERVE	<u>\$ 600</u>	<u>\$ 1,100</u>	<u>\$ 1,300</u>

No assurance provided. See summary of significant assumptions.

**WILLOW BEND METROPOLITAN DISTRICT
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/1/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 2,977,676	\$ 2,368,539	\$ 1,920,432
REVENUES			
Property taxes	189,884	360,856	441,514
Specific ownership tax	13,935	18,000	30,906
Interest income	19,327	1,200	2,000
Total revenues	<u>223,146</u>	<u>380,056</u>	<u>474,420</u>
TRANSFERS IN			
Transfers from other funds	<u>362</u>	<u>-</u>	<u>-</u>
Total funds available	<u>3,201,184</u>	<u>2,748,595</u>	<u>2,394,852</u>
EXPENDITURES			
Debt service			
County Treasurer's fee	2,895	5,413	6,623
Bond interest	822,750	822,750	822,750
Paying agent fees	7,000	-	-
Contingency	-	-	10,627
Total expenditures	<u>832,645</u>	<u>828,163</u>	<u>840,000</u>
Total expenditures and transfers out requiring appropriation	<u>832,645</u>	<u>828,163</u>	<u>840,000</u>
ENDING FUND BALANCES	<u>\$ 2,368,539</u>	<u>\$ 1,920,432</u>	<u>\$ 1,554,852</u>
CAPITALIZED INTEREST	\$ 822,750	\$ 57,250	\$ -
RESERVE FUND (\$1,294,000)	1,294,000	1,294,000	1,294,000
SURPLUS FUND (Maximum: \$1,645,500)	251,789	569,182	260,852
TOTAL RESERVE	<u>\$ 2,368,539</u>	<u>\$ 1,920,432</u>	<u>\$ 1,554,852</u>

No assurance provided. See summary of significant assumptions.

**WILLOW BEND METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/1/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 2,873,783	\$ -	\$ -
REVENUES			
Interest income	10,626	-	-
Developer advance	1,868,282	8,700,000	-
Total revenues	<u>1,878,908</u>	<u>8,700,000</u>	<u>-</u>
TRANSFERS IN			
Transfers from other funds	<u>7,690</u>	<u>265</u>	<u>-</u>
Total funds available	<u>4,760,381</u>	<u>8,700,265</u>	<u>-</u>
EXPENDITURES			
Capital Projects			
Engineering	-	265	-
Capital outlay	4,760,019	8,700,000	-
Total expenditures	<u>4,760,019</u>	<u>8,700,265</u>	<u>-</u>
TRANSFERS OUT			
Transfers to other fund	<u>362</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>4,760,381</u>	<u>8,700,265</u>	<u>-</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**WILLOW BEND METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The Willow Bend Metropolitan District organization was approved by eligible electors of the District at an election held on November 5, 2013. The District was organized by order of the District Court in and for Adams County on November 26, 2013. The formation of the District was approved by the City of Thornton, Colorado in conjunction with the approval by the City Council of a Service Plan for the District on August 27, 2013. The District exists as a quasi-municipal corporation and political subdivision of the State of Colorado under Title 32, Article 1 of the Colorado Revised Statutes, as amended (C.R.S.)

The District shall have the power and authority to provide the Public Improvements and related operation and maintenance services within and without the boundaries of the District as such power and authority is described in the Special District Act, subject to the limitations on fire protection, television relay and transmission and telecommunication facilities.

On November 5, 2013, the District's voters authorized general obligation indebtedness of \$148,500,000 for District improvements, \$16,500,000 for the purpose of refunding debt, \$16,500,000 in intergovernmental agreements, and \$16,500,000 for operations and maintenance debt. The service plan has a limitation on the issuance of debt to \$22,000,000 of which \$3,279,000 is remaining.

Additionally, on November 5, 2013, the election also approved an annual increase in property taxes of \$500,000 without limitation of rate, to pay the District's operation and maintenance costs and \$16,500,000 for multiple fiscal year IGA mill levy.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**WILLOW BEND METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - continued

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected.

Developer Advance

The District is in the development stage. As such, the operating and administrative expenditures will be partially funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately .50%.

Expenditures

Administrative Expenditures

Administrative expenditures for the project 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, audit, accounting, insurance, management and other administrative expenses.

County Treasurer's Fees

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

Debt Service

The principal and interest payments are provided based on the debt amortization schedules from the General Obligation Bonds, Series 2019A (discussed under Debt and Leases).

Debt and Leases

On July 31, 2019, the District issued its Series 2019A Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds in the amount of \$16,455,000 and the Series 2019B Subordinate Limited Tax General Obligation Bonds in the amount of \$2,266,000. Proceeds from the sale of the Senior Bonds were used to: (a) finance public improvements; (b) pay capitalized interest on the Senior Bonds; (c) fund the Senior Reserve Fund; and (d) pay costs of issuance of the Bonds. Proceeds from the sale of the Subordinate Bonds will be used to finance additional public improvements related to the Development.

**WILLOW BEND METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (continued)

The primary source of revenue or cash receipts will be ad valorem property taxes. Property taxes are levied by the Board of Directors of the District. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is expressed in terms of mills. A mill is equal to 1/10 of one cent per dollar of assessed valuation. 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 Series 2019A Bonds bear interest at a rate of 5.00%. The bond interest is payable semi-annually on June 1 and December 1, beginning on December 1, 2019. Annual mandatory sinking fund principal payments are due on December 1 of each year beginning on December 1, 2024. The Series 2019A Bonds mature on December 1, 2049.

To the extent principal of any Senior Bond is not paid when due, such principal shall remain outstanding until paid, subject to discharge of the Senior Bonds on December 1, 2059 (the “Senior Bonds Discharge Date”). To the extent interest on any Senior Bond is not paid when due, such interest shall compound on each interest payment date, at the rate then borne by the Senior Bond. The District shall not be obligated to pay more than the amount permitted by law and the Election in repayment of the Senior Bonds. In the event any amounts due on the Senior Bonds remain unpaid after the application of all Senior Pledged Revenue available therefor on the Senior Bonds Discharge Date, such amounts shall be deemed discharged and shall no longer be due and outstanding.

The Subordinate Bonds will bear interest at the rate of 7.625% per annum and are payable annually on December 15, beginning December 15, 2019 from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2049. 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. The District shall not be obligated to pay more than the amount permitted by law and the Election in repayment of the Subordinate Bonds. All of the Subordinate Bonds and interest thereon are to be deemed to be paid, satisfied, and discharged after the application of all available Subordinate Pledged Revenue on December 15, 2059 (the “Subordinate Bonds Discharge Date”), regardless of the amount of principal and interest paid prior to the Subordinate Bonds Discharge Date.

The Senior Bonds are secured by and payable solely from and to the extent of Senior Pledged Revenue, net of any costs of collection, which includes:

- (a) all Senior Property Tax Revenues;
- (b) all Senior Specific Ownership Tax Revenues;
- (c) all Capital Fees; and
- (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

“Senior Property Tax Revenues” means all moneys derived from imposition by the District of the Senior Required Mill Levy and excludes Senior Specific Ownership Tax Revenues. Senior Property Tax Revenues are net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County.

**WILLOW BEND METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (continued)

“Senior Specific Ownership Tax Revenues” means the specific ownership taxes remitted to the District as a result of its imposition of the Senior Required Mill Levy.

“Capital Fees” means all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) now or hereafter imposed by the District pledged to the payment of the Senior Bonds. The District does not currently impose Capital Fees and does not currently have plans to impose them.

The Senior Bonds are additionally secured by capitalized interest which will be funded from the proceeds of the Senior Bonds, by the Senior Reserve Fund which will be funded from the proceeds of the Senior Bonds, and by amounts, if any, in the Senior Surplus Fund. The Senior Surplus Fund will not be funded as of the date of issuance of the Senior Bonds.

The Senior Bonds are also secured by amounts on deposit in the Senior Reserve Fund. The Senior Reserve Fund was funded from proceeds of the Senior Bonds in the amount of \$1,294,000. If a withdrawal from the Senior Reserve Fund is made that reduces the balance in such fund below the Reserve Requirement for the Senior Bonds, the District shall include in the computation of its next mill levy certification the amount necessary to replenish the Senior Reserve Fund to the Reserve Requirement (subject to the limitations of the Senior Required Mill Levy).

Prior to the Conversion Date, Senior Pledged Revenue that is not needed to pay debt service on the Senior Bonds in any year will be deposited to and held in the Senior Surplus Fund, up to the Maximum Surplus Amount of \$1,645,500. The Senior Surplus Fund shall be maintained until the Conversion Date, at which time the Senior Surplus Fund will be terminated and all amounts on deposit shall be released to the District for application to any lawful purpose.

Pursuant to the Subordinate Indenture, amounts released from the Senior Surplus Fund are pledged to the repayment of the Subordinate Bonds.

The District has acknowledged that State Law places certain restrictions on the use of money derived from the Required Mill Levies.

The Subordinate Bonds are secured by and payable solely from and to the extent of Subordinate Pledged Revenue, net of any costs of collection, which includes:

- (a) all Subordinate Property Tax Revenues;
- (b) all Subordinate Specific Ownership Tax Revenues;
- (c) all Subordinate Capital Fees;
- (d) any amounts in the Senior Surplus Fund upon the termination of such fund pursuant to the Senior Indenture;
- (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

**WILLOW BEND METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (continued)

“Subordinate Property Tax Revenues” means all moneys derived from imposition by the District of the Subordinate Required Mill Levy and excludes Subordinate Specific Ownership Tax Revenues. Subordinate Property Tax Revenues are net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County.

“Subordinate Specific Ownership Tax Revenues” means the specific ownership taxes remitted to the District as a result of its imposition of the Subordinate Required Mill Levy.

“Subordinate Capital Fee Revenue” means any revenue from Capital Fees remaining after deduction of any amount thereof used, paid, pledged, or otherwise applied to the payment of any Senior Obligations. The District does not currently impose Capital Fees and does not currently have plans to impose them.

The District has no operating or capital leases.

The District has outstanding developer advances and anticipated activity as follows:

	Balance - December 31, 2020	Additions	Retirements/ Reductions	Balance - December 31, 2021
Developer Advances - Operating	\$ -	\$ 36,371	\$ -	\$ 36,371
Developer Advances - Capital	1,868,282	-	-	1,868,282
Accrued Interest - Operating	-	629	-	629
Accrued Interest - Capital	96,268	130,780	-	227,048
Total	<u>\$ 1,964,550</u>	<u>\$ 167,780</u>	<u>\$ -</u>	<u>\$ 2,132,330</u>
	Balance - December 31, 2021	Additions	Retirements/ Reductions	Balance - December 31, 2022
Developer Advances - Operating	\$ 36,371	\$ 45,000	\$ -	\$ 81,371
Developer Advances - Capital	1,868,282	-	-	1,868,282
Accrued Interest - Operating	629	2,581	-	3,210
Accrued Interest - Capital	227,048	130,779	-	357,827
Total	<u>\$ 2,132,330</u>	<u>\$ 178,360</u>	<u>\$ -</u>	<u>\$ 2,310,690</u>

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR.

This information is an integral part of the accompanying budget.

**WILLOW BEND METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$16,455,000 Limited Tax (Convertible to Unlimited Tax)
General Obligation Bonds, Series 2019A**

Dated July 31, 2019

Principal due December 1

Interest Rate 5.000% Payable

June 1 and December 1

Year Ended December 31,	Principal	Interest	Total
2022	-	822,750	822,750
2023	-	822,750	822,750
2024	135,000	822,750	957,750
2025	205,000	816,000	1,021,000
2026	235,000	805,750	1,040,750
2027	250,000	794,000	1,044,000
2028	280,000	781,500	1,061,500
2029	295,000	767,500	1,062,500
2030	330,000	752,750	1,082,750
2031	350,000	736,250	1,086,250
2032	390,000	718,750	1,108,750
2033	405,000	699,250	1,104,250
2034	450,000	679,000	1,129,000
2035	470,000	656,500	1,126,500
2036	520,000	633,000	1,153,000
2037	545,000	607,000	1,152,000
2038	595,000	579,750	1,174,750
2039	625,000	550,000	1,175,000
2040	680,000	518,750	1,198,750
2041	710,000	484,750	1,194,750
2042	770,000	449,250	1,219,250
2043	810,000	410,750	1,220,750
2044	875,000	370,250	1,245,250
2045	920,000	326,500	1,246,500
2046	990,000	280,500	1,270,500
2047	1,040,000	231,000	1,271,000
2048	1,115,000	179,000	1,294,000
2049	2,465,000	123,250	2,588,250
	<u>\$ 16,455,000</u>	<u>\$ 16,419,250</u>	<u>\$ 32,874,250</u>

No assurance provided. See summary of significant assumptions.