

KIPLING RIDGE METROPOLITAN DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2023

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

1/11/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 601,773	\$ 685,383	\$ 812,284
REVENUES			
Property taxes	127,948	137,254	132,904
Specific ownership tax	17,105	16,340	16,542
Interest income	162	6,019	34,300
Property Taxes - TIF AURA	92,467	104,769	101,859
Intergovernmental revenues	5,219	-	-
Total revenues	<u>242,901</u>	<u>264,382</u>	<u>285,605</u>
Total funds available	<u>844,674</u>	<u>949,765</u>	<u>1,097,889</u>
EXPENDITURES			
General Fund	159,217	137,481	163,000
Debt Service Fund	74	-	-
Total expenditures	<u>159,291</u>	<u>137,481</u>	<u>163,000</u>
Total expenditures and transfers out requiring appropriation	<u>159,291</u>	<u>137,481</u>	<u>163,000</u>
ENDING FUND BALANCES	<u>\$ 685,383</u>	<u>\$ 812,284</u>	<u>\$ 934,889</u>
EMERGENCY RESERVE	\$ 7,300	\$ 7,900	\$ 8,500
CAPITAL RESERVE	-	500,000	500,000
OPERATING RESERVE	-	80,000	80,000
TOTAL RESERVE	<u>\$ 7,300</u>	<u>\$ 587,900</u>	<u>\$ 588,500</u>

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

1/11/23

ACTUAL	ESTIMATED	BUDGET
2021	2022	2023

ASSESSED VALUATION

Residential Multi Family	\$ 12,200,760	\$ 13,420,836	\$ 12,763,872
Commercial	9,753,024	9,424,240	9,424,240
State assessed	402,399	44,838	42,137
Personal property	-	1,471,894	1,401,129
TIF	(9,387,437)	(10,636,401)	(10,341,001)
Certified Assessed Value	\$ 12,968,746	\$ 13,725,407	\$ 13,290,377

MILL LEVY

General	10.000	10.000	10.000
Total mill levy	10.000	10.000	10.000

PROPERTY TAXES

General	\$ 129,687	\$ 137,254	\$ 132,904
Levied property taxes	129,687	137,254	132,904
Adjustments to actual/rounding	(1,739)	-	-
Budgeted property taxes	\$ 127,948	\$ 137,254	\$ 132,904

BUDGETED PROPERTY TAXES

General	\$ 127,948	\$ 137,254	\$ 132,904
	\$ 127,948	\$ 137,254	\$ 132,904

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

1/11/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 572,014	\$ 655,623	\$ 782,445
REVENUES			
Property taxes	127,948	137,254	132,904
Property Taxes - TIF AURA	92,467	104,769	101,859
Specific ownership tax	17,105	16,340	16,542
Interest income	87	5,940	33,100
Intergovernmental revenues	5,219	-	-
Total revenues	242,826	264,303	284,405
Total funds available	814,840	919,926	1,066,850
EXPENDITURES			
General and administrative			
Accounting	31,354	23,000	23,000
Auditing	4,950	5,250	-
County Treasurer's fee	1,919	2,059	1,994
Dues and licenses	373	383	400
Insurance and bonds	6,245	5,389	7,200
District management	24,127	21,000	24,200
Management due diligence	1,100	-	-
Legal services	29,379	20,000	25,000
Legal due diligence	1,125	-	-
Miscellaneous	150	300	300
Election expense	-	5,500	5,200
Contingency	-	-	14,906
Operations and maintenance			
Landscaping	14,027	14,000	16,100
Snow removal	3,216	7,400	8,500
Irrigation	11,007	6,100	6,400
Landscape - replacements	24,349	10,000	5,000
Detention pond maint.	3,296	8,000	9,200
Wall maintenance and observation	2,600	9,100	15,600
Total expenditures	159,217	137,481	163,000
Total expenditures and transfers out requiring appropriation	159,217	137,481	163,000
ENDING FUND BALANCE	\$ 655,623	\$ 782,445	\$ 903,850
EMERGENCY RESERVE	\$ 7,300	\$ 7,900	\$ 8,500
CAPITAL RESERVE	-	500,000	500,000
OPERATING RESERVE	-	80,000	80,000
TOTAL AVAILABLE FOR OPERATIONS	648,323	194,545	315,350
TOTAL	\$ 655,623	\$ 782,445	\$ 903,850

No assurance is provided. See summary of significant assumptions.

**KIPLING RIDGE METROPOLITAN DISTRICT
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/11/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Interest income	74	-	-
Total revenues	<u>74</u>	<u>-</u>	<u>-</u>
Total funds available	<u>74</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
General and administrative			
Intergovernmental expenditures	74	-	-
Total expenditures	<u>74</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>74</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**KIPLING RIDGE METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/11/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 29,759	\$ 29,760	\$ 29,839
REVENUES			
Interest income	1	79	1,200
Total revenues	1	79	1,200
Total funds available	29,760	29,839	31,039
EXPENDITURES			
Total expenditures	-	-	-
ENDING FUND BALANCE	\$ 29,760	\$ 29,839	\$ 31,039

**KIPLING RIDGE METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Kipling Ridge Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on November 15, 2004, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Jefferson County, Colorado, entirely within the City of Arvada. The District was established to provide financing for the acquisition of construction and installation of water, sanitation, parks and recreation, drainage, street improvements, transportation, and mosquito control primarily for commercial development within the District.

On November 2, 2004, the District's voters approved general obligation indebtedness of \$20,000,000 for water supply system, \$20,000,000 for sanitary sewer system, \$20,000,000 for street improvements, \$20,000,000 for transportation, \$20,000,000 for refinancing of District debt, \$20,000,000 for intergovernmental agreements, and \$3,000,000 for general operations and maintenance. Per the Service Plan, the District is limited to \$20,000,000 in debt. The election also approved an annual increase in taxes of \$1,000,000 or lesser amount as necessary to pay the District's general operations and maintenance expenses.

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.

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 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 at the adopted mill levy. Since the District is included in the Arvada Urban Renewal Authority (AURA), the District collects directly from the County property taxes on the base assessed value only. Property taxes from the tax increment are collected by AURA and remitted to the District. In addition, the maximum combined debt service and operations mill levy for the District is 40.000 mills, as adjusted for changes in the ratio of actual value to assessed value with the District.

**KIPLING RIDGE METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Property Taxes (Continued)

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%.

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 total property taxes collected, which is reported in the General Fund.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4.00%.

Property Tax TIF AURA

Property taxes TIF are the District's property taxes from the tax increment that are collected by AURA on behalf of the District. AURA will continue remitting the District's portion of the tax increment financing until such time as the District is dissolved.

Expenditures

County Treasurer's Collection Fees

County Treasurer's collection fees have been computed at 1.5% of property taxes.

Administrative and Operating Expenditures

Administrative and operating expenditures include the services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, landscaping, irrigation, and other operating expenses.

Capital Outlay

Anticipated expenditures for capital outlay in 2023 are detailed on the capital funds summary page of the budget.

**KIPLING RIDGE METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

The District has no outstanding debt, nor operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3.0% of fiscal year spending for 2023, as defined under TABOR.

Operating Reserve

The District has provided for an Operating Reserve equal to at least 50% of fiscal year total expenditures and transfers out for 2023 in the amount of \$80,000.

Capital Reserve

The District has provided for a Capital Reserve \$500,000 for 2023, which exceeds the fully funded Capital Reserve balance as recommended by the Reserve Study.

This information is an integral part of the accompanying budget.