

PROSPER WATER & SANITATION FINANCING METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023

**PROSPER WATER & SANITATION FINANCING METROPOLITAN DISTRICT
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/5/23

| | ACTUAL 2021 | ESTIMATED 2022 | BUDGET 2023 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCE | \$ - | \$ - | \$ - |
| REVENUE | | | |
| Property taxes | 256,987 | 189,971 | 249,632 |
| Specific ownership taxes | 17,711 | 13,298 | 14,978 |
| Other revenue | - | - | 5,390 |
| Total revenue | <u>274,698</u> | <u>203,269</u> | <u>270,000</u> |
| Total funds available | <u>274,698</u> | <u>203,269</u> | <u>270,000</u> |
| EXPENDITURES | | | |
| General and administrative | | | |
| County Treasurer's fee | 3,855 | 2,850 | 3,745 |
| Contingency | - | - | 5,390 |
| Operations and maintenance | | | |
| Transfer to Prosper Coordinating MD | 270,843 | 200,419 | 260,865 |
| Total expenditures | <u>274,698</u> | <u>203,269</u> | <u>270,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>274,698</u> | <u>203,269</u> | <u>270,000</u> |
| ENDING FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

No assurance provided. See summary of significant assumptions.

PROSPER WATER & SANITATION FINANCING METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/5/23

| ACTUAL | ESTIMATED | BUDGET |
|--------|-----------|--------|
| 2021 | 2022 | 2023 |

ASSESSED VALUATION

| | | | |
|--------------------------|---------------|--------------|---------------|
| Residential | \$ 27,608 | \$ 28,286 | \$ 27,495 |
| Commercial | - | 3,326 | 2,957 |
| Agricultural | 418,707 | 396,585 | 364,266 |
| State assessed | 3,880 | 3,870 | 115,060 |
| Natural resources | 5,653 | 5,653 | 5,653 |
| Oil and gas | 12,393,483 | 9,060,839 | 11,966,166 |
| Certified Assessed Value | \$ 12,849,331 | \$ 9,498,559 | \$ 12,481,597 |

MILL LEVY

| | | | |
|-----------------|--------|--------|--------|
| General | 20.000 | 20.000 | 20.000 |
| Total mill levy | 20.000 | 20.000 | 20.000 |

PROPERTY TAXES

| | | | |
|-------------------------|------------|------------|------------|
| General | \$ 256,987 | \$ 189,971 | \$ 249,632 |
| Budgeted property taxes | \$ 256,987 | \$ 189,971 | \$ 249,632 |

BUDGETED PROPERTY TAXES

| | | | |
|---------|------------|------------|------------|
| General | \$ 256,987 | \$ 189,971 | \$ 249,632 |
| | \$ 256,987 | \$ 189,971 | \$ 249,632 |

No assurance provided. See summary of significant assumptions.

**PROSPER WATER & SANITATION FINANCING METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Prosper Water & Sanitation Financing Metropolitan District (the "District"), a quasi-municipal corporation and political subdivision of the State of Colorado was organized by Court Order and Decree of the District Court on June 18, 2015 and is governed pursuant to provisions of the Colorado Special District Act, Title 32, Article I, Colorado Revised Statutes. The District's service area is located in Arapahoe County. The District was organized in conjunction with Prosper Regional Water & Sanitation Service Metropolitan District, Prosper Park & Recreation Financing Metropolitan District, Prosper Coordinating Metropolitan District and Prosper Metropolitan Districts Nos. 1, 2, 3 and 4. The District was established to finance the design, acquisition, installation, construction and completion of public improvements for the operation of water, sewer, drainage and sanitation services.

In the future, the District may issue a portion or all of the authorized general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area, however, as of the date of this budget, the amount and timing of any debt issuances is not determinable.

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 determine by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification of 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 of December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of 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 6% of the property taxes collected.

**PROSPER WATER & SANITATION FINANCING METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

County Treasurer's Fees

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

Operating and Capital Leases

The District has no operating or capital leases.

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to Prosper Coordinating Metropolitan District, which pays for all Districts' operations cost, an Emergency Reserve is not reflected in the District's Budget.

This information is an integral part of the accompanying budget.