

LETTER OF BUDGET TRANSMITTAL


Date: January 27, 2025

To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached is the 2025 budget and budget message for PROSPER WATER & SANITATION FINANCING METROPOLITAN DISTRICT, in Arapahoe County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on October 23, 2024. If there are any questions on the budget, please contact

CliftonLarsonAllen LLP
Attn: Denise Denslow, District Manager
8390 E. Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Telephone number: 303-779-5710
Denise.denslow@claconnect.com

I, Denise Denslow, District Manager of the Prosper Water & Sanitation Financing Metropolitan District hereby certify that the attached is a true and correct copy of the 2025 budget.

By: 

Denise Denslow, District Manager

RESOLUTION NO. 2024-10-03

RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY

**RESOLUTION OF THE BOARD OF DIRECTORS OF
PROSPER WATER & SANITATION FINANCING METROPOLITAN DISTRICT,
ARAPAHOE COUNTY, 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
2025**

A. The Board of Directors of the Prosper Water & Sanitation Financing Metropolitan District (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, 2024 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 October 23, 2024, 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 THE PROSPER WATER & SANITATION FINANCING METROPOLITAN DISTRICT, ARAPAHOE COUNTY, COLORADO:

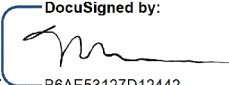
1. The budget, as submitted, amended, and summarized by fund, is hereby approved and adopted as the budget of the District for the year stated above.

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.

RESOLUTION APPROVED AND ADOPTED on October 23, 2024.

**PROSPER WATER & SANITATION
FINANCING METROPOLITAN
DISTRICT**

By:  _____
President

Attest:

By:  _____
Secretary

EXHIBIT A

Budget

I, Kari Wright, hereby certify that I am the duly appointed Secretary of the Prosper Water & Sanitation Financing Metropolitan District, and that the foregoing is a true and correct copy of the budget for the budget year 2025, duly adopted at a meeting of the Board of Directors of the Prosper Water & Sanitation Financing Metropolitan District held on October 23, 2024.

Signed by:

A1EFB0DFDCC0497...
Secretary

PROSPER WATER & SANITATION FINANCING METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2025

**PROSPER WATER & SANITATION FINANCING METROPOLITAN DISTRICT
GENERAL FUND
2025 BUDGET**

**WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

12/27/24

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	249,632	298,176	75,615
Specific ownership taxes	16,357	17,890	4,537
Interest income	24	-	-
Other revenue	-	-	4,848
Total revenues	<u>266,013</u>	<u>316,066</u>	<u>85,000</u>
Total funds available	<u>266,013</u>	<u>316,066</u>	<u>85,000</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	3,745	4,472	1,134
Contingency	-	-	4,848
Operations and maintenance			
Transfer to Prosper Coordinating MD	262,268	311,594	79,018
Total expenditures	<u>266,013</u>	<u>316,066</u>	<u>85,000</u>
Total expenditures and transfers out requiring appropriation	<u>266,013</u>	<u>316,066</u>	<u>85,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**PROSPER WATER & SANITATION FINANCING METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

12/27/24

ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
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ASSESSED VALUATION

Residential	\$ 27,495	\$ 45,533	\$ 45,533
Commercial	2,957	3,280	4,231
Agricultural	364,266	335,202	335,202
State assessed	115,060	141,380	91,510
Natural resources	5,653	5,179	5,179
Oil and gas	11,966,166	14,347,004	3,299,096
Certified Assessed Value	\$ 12,481,597	\$ 14,877,578	\$ 3,780,751

MILL LEVY

General	20.000	20.000	20.000
Total mill levy	20.000	20.000	20.000

PROPERTY TAXES

General	\$ 249,632	\$ 297,552	\$ 75,615
Levied property taxes	249,632	297,552	75,615
Adjustments to actual/rounding	-	624	-
Budgeted property taxes	\$ 249,632	\$ 298,176	\$ 75,615

BUDGETED PROPERTY TAXES

General	\$ 249,632	\$ 298,176	\$ 75,615
	\$ 249,632	\$ 298,176	\$ 75,615

**PROSPER WATER & SANITATION FINANCING METROPOLITAN DISTRICT
2025 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.

**PROSPER WATER & SANITATION FINANCING METROPOLITAN DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Property Taxes – (continued)

For property tax collection year 2025, SB22-238, SB23B-001, SB24-223, and HB24B-1001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate		Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	\$30,000
			Oil & Gas Production	87.50%			

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.

Expenditures

County Treasurer's Fees

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

Intergovernmental Expenditures – Transfer to Other Districts

The District has an agreement with Prosper Coordinating Metropolitan District (PCMD) whereby the net revenues generated by the District's operating mill levies are transferred to PCMD. The operating and administrative expenditures for the District are incurred by PCMD including the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and meeting expense.

Capital Outlay

The District does not anticipate infrastructure improvements during 2025.

**PROSPER WATER & SANITATION FINANCING METROPOLITAN DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debts and Leases

The District has no debt nor any capital and operating lease.

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.

RESOLUTION NO. 2024-10-04

RESOLUTION TO SET MILL LEVIES

RESOLUTION OF THE PROSPER WATER & SANITATION FINANCING METROPOLITAN DISTRICT LEVYING GENERAL PROPERTY TAXES, PURSUANT TO SECTION 39-1-111, C.R.S., FOR THE YEAR 2024, TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE 2025 BUDGET YEAR

A. The Board of Directors of the Prosper Water & Sanitation Financing Metropolitan District (the “**District**”) has adopted an annual budget in accordance with the Local Government Budget Law, on October 23, 2024.

B. The adopted budget is attached as Exhibit A to the Resolution of the Board of Directors of the District to Adopt Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference.

C. The amount of money necessary to balance the budget for general operating expenses from property tax revenue is identified in the budget.

NOW, THEREFORE, PURSUANT TO SECTIONS 39-1-111(5) and 39-5-128(1), C.R.S., BE IT RESOLVED by the Board of Directors of the Prosper Water & Sanitation Financing Metropolitan District, Arapahoe County, Colorado, that:

1. For the purpose of meeting all general operating expenses of the District during the 2025 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

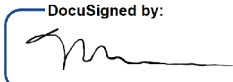
2. That the Secretary is hereby authorized and directed to immediately certify to the Board of County Commissioners of Arapahoe County, Colorado, the mill levies for the District as set forth in the District’s Certification of Mill Levies, attached hereto as **Exhibit 1** and incorporated herein by reference, recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO RESOLUTION TO SET MILL LEVIES]

RESOLUTION APPROVED AND ADOPTED on October 23, 2024.

**PROSPER WATER & SANITATION
FINANCING METROPOLITAN
DISTRICT**

By:  _____
President B6AE53127D12442...

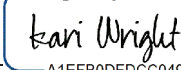
Attest:

By:  _____
Secretary A1EFB0DFDCC0497...

EXHIBIT 1

Certification of Tax Levies

I, Kari Wright, hereby certify that I am the duly appointed Secretary of the Prosper Water & Sanitation Financing Metropolitan District, and that the foregoing is a true and correct copy of the Certification of Mill Levies for the budget year 2025, duly adopted at a meeting of the Board of Directors of the Prosper Water & Sanitation Financing Metropolitan District held on October 23, 2024.

Signed by:

A1EFB0DFDCC0497...
Secretary

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Arapahoe County, Colorado.

On behalf of the Prosper Water & Sanitation Financing Metropolitan District,

(taxing entity)^A

the Board of Directors

(governing body)^B

of the Prosper Water & Sanitation Financing Metropolitan District

(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 3,780,751 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 3,780,751 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/08/2024 for budget/fiscal year 2025. (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>20.000</u> mills	\$ <u>75,615</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	20.000 mills	\$ 75,615
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
_____	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	20.000 mills	\$ 75,615

Contact person: (print) Jeffrey Peek Daytime phone: (615) 800-3440

Signed: [Signature] Title: Accountant for the District

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution. ² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

1. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

2. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

CONTRACTS^K:

3. Purpose of Contract: _____
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____

4. Purpose of Contract: _____
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.