

PETERSON GATEWAY METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023

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

1/20/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 14,337	\$ 32,741	\$ 18,541
REVENUES			
Property taxes	3,474	4,020	3,945
Specific ownership tax	415	394	395
Public improvement fees	46,810	34,000	42,000
Developer advance	9,500	24,685	1,087,870
Total revenues	<u>60,200</u>	<u>63,099</u>	<u>1,134,210</u>
TRANSFERS IN	<u>9,006</u>	-	-
Total funds available	<u>83,543</u>	<u>95,840</u>	<u>1,152,751</u>
EXPENDITURES			
General Fund	21,852	30,000	38,500
Capital Projects Fund	19,944	47,300	1,114,050
Total expenditures	<u>41,796</u>	<u>77,300</u>	<u>1,152,550</u>
TRANSFERS OUT	<u>9,006</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>50,802</u>	<u>77,300</u>	<u>1,152,550</u>
ENDING FUND BALANCES	<u>\$ 32,741</u>	<u>\$ 18,541</u>	<u>\$ 200</u>
EMERGENCY RESERVE	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ 200</u>
TOTAL RESERVE	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ 200</u>

No assurance Provided. See summary of significant assumptions.

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

1/20/23

ACTUAL	ESTIMATED	BUDGET
2021	2022	2023

ASSESSED VALUATION

Commercial	\$ 228,220	\$ 247,000	\$ 248,870
Vacant land	125,370	145,590	145,590
Certified Assessed Value	\$ 353,590	\$ 392,590	\$ 394,460

MILL LEVY

General	10.000	10.000	10.000
Total mill levy	10.000	10.000	10.000

PROPERTY TAXES

General	\$ 3,536	\$ 3,926	\$ 3,945
Levied property taxes	3,536	3,926	3,945
Adjustments to actual/round	(62)	94	-
Budgeted property taxes	\$ 3,474	\$ 4,020	\$ 3,945

BUDGETED PROPERTY TAXES

General	\$ 3,474	\$ 4,020	\$ 3,945
	\$ 3,474	\$ 4,020	\$ 3,945

No assurance Provided. See summary of significant assumptions.

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

1/20/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 556	\$ 1,100	\$ 200
REVENUES			
Property taxes	3,474	4,020	3,945
Specific ownership tax	415	394	395
Interest income	1	-	-
Developer advance	9,500	24,685	34,161
Total revenues	<u>13,390</u>	<u>29,099</u>	<u>38,501</u>
TRANSFERS IN			
Transfers from other funds	<u>9,006</u>	<u>-</u>	<u>-</u>
Total funds available	<u>22,952</u>	<u>30,199</u>	<u>38,701</u>
EXPENDITURES			
General and administrative			
Accounting	10,852	12,000	13,800
County Treasurer's fee	52	61	59
Directors' fees	1,400	1,000	2,000
Dues and subscriptions	311	400	300
Insurance and bonds	2,721	2,521	2,773
Legal services	6,409	8,000	8,500
Payroll taxes	107	77	153
Election expense	-	1,216	5,000
Contingency	-	4,725	5,915
Total expenditures	<u>21,852</u>	<u>30,000</u>	<u>38,500</u>
Total expenditures and transfers out requiring appropriation	<u>21,852</u>	<u>30,000</u>	<u>38,500</u>
ENDING FUND BALANCE	<u>\$ 1,100</u>	<u>\$ 200</u>	<u>\$ 200</u>
EMERGENCY RESERVE	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ 200</u>
TOTAL RESERVE	<u><u>\$ 200</u></u>	<u><u>\$ 200</u></u>	<u><u>\$ 200</u></u>

No assurance Provided. See summary of significant assumptions.

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

1/20/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 13,781	\$ 31,641	\$ 18,341
REVENUES			
Developer advance	-	-	1,053,709
Public improvement fees	46,810	34,000	42,000
Total revenues	<u>46,810</u>	<u>34,000</u>	<u>1,095,709</u>
Total funds available	<u>60,591</u>	<u>65,641</u>	<u>1,114,050</u>
EXPENDITURES			
Capital Projects			
PIF collection expenditure	3,667	7,000	8,050
Engineering	4,453	-	6,000
Capital outlay	11,824	40,000	1,100,000
Repairs and maintenance	-	300	-
Total expenditures	<u>19,944</u>	<u>47,300</u>	<u>1,114,050</u>
TRANSFERS OUT			
Transfers to other fund	<u>9,006</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>28,950</u>	<u>47,300</u>	<u>1,114,050</u>
ENDING FUND BALANCE	<u>\$ 31,641</u>	<u>\$ 18,341</u>	<u>\$ -</u>

No assurance Provided. See summary of significant assumptions.

**PETERSON GATEWAY METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Peterson Gateway Metropolitan District (the "District") was formed under a Service Plan approved by El Paso County, Colorado (the "County"), on October 24, 2017. The District's service area is located entirely within the County. The primary purpose of the District will be to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of public improvements and services as listed below. The District was organized by El Paso County Court Order on December 1, 2017.

At an election held on November 7, 2017, the voters approved general indebtedness of \$210,000,000 at a maximum interest rate of 12% for each of the following improvements and services: streets, water supply, sanitary sewer, traffic and safety controls, parks and recreation, mosquito control, television relay and translation, public transportation, security services, and fire protection/medical emergency services. The election authorized indebtedness of \$210,000,000 each for operations and maintenance, reimbursement agreements, and debt refunding. The voters also approved an annual increase in taxes of up to \$5,000,000 at a mill levy rate without limitation or with such limitations as may be determined by the board for the purpose of the District's operations, maintenance, and other expenses and an annual increase in taxes of up to \$15,000,000 at a mill levy rate without limitation or with such limitations as may be determined by the board for the purposes of the District's capital costs. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution.

Pursuant to the Districts' Service Plan filed with the County, the maximum debt mill levy for the district shall be 0 mills on commercial property located within the District, which can be adjusted for changes in the method of calculating assessed valuation after January 1, 2006. Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$3,000,000.

The maximum operating mill levy for the payment of operating and maintenance expenses is 10 mills.

Increases to or removal of any of the maximum mill levies shall be subject to Board of County Commissioner approval without the need for a formal Service Plan Amendment (unless the Board otherwise requires).

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 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.

**PETERSON GATEWAY METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Developer Advances

Since the District is in the development stage, operational and capital expenditures are anticipated to be funded by the Developer. Developer advances are to be recorded as revenues for budget purposes and may be repaid to the Developer from unpledged revenue in future years.

PIF Fees

The District charges a public improvement fee (PIF). The nature of the PIF is that a fee imposed under private contract and not through the exercise of any governmental taxing authority. The PIF is applied to the sale of goods and services at a rate of 2% in addition to all sales and use taxes that may be imposed and is collected by the retailers in the District and remitted to the District within 20 days after month end.

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.

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%.

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.

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 10% of the property taxes collected.

**PETERSON GATEWAY METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

Administrative Expenditures

Administrative expenditures 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, accounting, managerial, insurance, landscape maintenance, and other administrative expenses.

County Treasurer's Fees

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

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

Debt and Leases

Developer Advances

The District has entered into Developer Funding Agreement with the Developer as follows:

Developer Funding Agreement

The District has entered into a Reimbursement and Infrastructure Acquisition Agreement with The Equity Group LLC (Developer) pursuant to which the District agrees to reimburse the Developer for advances made to or on behalf of the District plus interest of 8% annually for costs related to the construction of public improvements subject to limitations set forth in the Service Plan. As of December 31, 2021, outstanding advances under the agreement totaled \$47,800 and accrued interest totaled \$9,104.

The following is analysis of changes in the District's long-term obligations for the years ending December 31, 2022 and 2023.

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

**PETERSON GATEWAY METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

	Balance - December 31, 2021	Additions	Retirements	Anticipated Balance - December 31, 2022
Developer Advances - Operating	\$ 47,800	\$ 24,685	\$ -	\$ 72,485
Accrued Interest:				
Developer Advances - Operating	9,104	4,811	-	13,916
Total	\$ 56,904	\$ 29,496	\$ -	\$ 86,401
	Anticipated Balance - December 31, 2022	Additions	Retirements	Anticipated Balance - December 31, 2023
Developer Advances - Operating	\$ 72,485	\$ 34,161	\$ -	\$ 106,646
Developer Advances - Capital	-	1,053,709	-	1,053,709
Accrued Interest:				
Developer Advances - Operating	13,916	7,165	-	21,081
Accrued Interest:				
Developer Advances - Capital	-	42,148	-	42,148
Total	\$ 86,401	\$ 1,137,184	\$ -	\$ 1,223,584

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2023, as defined under TABOR.

This information is an integral part of the accompanying budget.