

LETTER OF BUDGET TRANSMITTAL

Date: January 29, 2023

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

Attached are the 2023 budget and budget message for PETERSON GATEWAY METROPOLITAN DISTRICT in El Paso County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 9, 2022. If there are any questions on the budget, please contact:

Carrie Bartow
CliftonLarsonAllen LLP
111 South Tejon Street, Suite 705
Colorado Springs, Colorado 80903
(303) 779-5710

I, Daniel Mientka, as President of the Peterson Gateway Metropolitan District, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: Danny Mientka
President

RESOLUTION
TO ADOPT 2023 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
PETERSON GATEWAY METROPOLITAN DISTRICT

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2023 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE PETERSON GATEWAY METROPOLITAN DISTRICT, EL PASO COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2023, AND ENDING ON THE LAST DAY OF DECEMBER, 2023

WHEREAS, the Board of Directors of the Peterson Gateway Metropolitan District has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 9, 2022 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$3,945; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$ 0; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$ 0; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$ 0; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$ 0; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$ 0; and

WHEREAS, the 2022 valuation for assessment for the District as certified by the County Assessor of El Paso County is \$394,460; and

WHEREAS, at an election held on November 7, 2017, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PETERSON GATEWAY METROPOLITAN DISTRICT OF EL PASO COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Peterson Gateway Metropolitan District for calendar year 2023.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2023 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 10.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2023 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby

levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2023 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2023 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2022, to the Board of County Commissioners of El Paso County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of El Paso County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2022 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

ADOPTED this 9th day of November, 2022.

PETERSON GATEWAY
METROPOLITAN DISTRICT

Sanny Mientka

President

ATTEST:



Secretary

ATTACH COPY OF THE ADOPTED BUDGET AND
THE CERTIFICATION OF TAX LEVIES

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>\$ 200</u>	<u>\$ 200</u>	<u>\$ 200</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.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of El Paso County, Colorado.

On behalf of the Peterson Gateway Metropolitan District,
(taxing entity)^A

the Board of Directors
(governing body)^B

of the Peterson Gateway Metropolitan District
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 394,460 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: \$ 394,460 (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: 12/07/2022 for budget/fiscal year 2023.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY²	REVENUE²
1. General Operating Expenses ^H	<u>10.000</u> mills	\$ <u>3,945</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	10.000 mills	\$ 3,945
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]	10.000 mills	\$ 3,945

Contact person: (print) Carrie Bartow Daytime phone: (719)-635-0330
Signed: *Carrie Bartow* Title: Accountant for the District

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.