

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 1

ANNUAL BUDGET

FOR YEAR ENDING DECEMBER 31, 2021

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

12/18/2020

| | ACTUAL 2019 | ESTIMATED 2020 | BUDGET 2021 |
|---|-----------------|-------------------|------------------|
| BEGINNING FUND BALANCES | \$ 5,865 | \$ 3,782 | \$ - |
| REVENUES | | | |
| Property taxes | 57,093 | 1,485,839 | 2,539,283 |
| Specific ownership taxes | 5,165 | 109,000 | 177,750 |
| Reimbursed expenditures - property exclusion | - | 687,040 | - |
| Total revenues | <u>62,308</u> | <u>2,281,879</u> | <u>2,717,033</u> |
| Total funds available | <u>68,173</u> | <u>2,285,661</u> | <u>2,717,033</u> |
| EXPENDITURES | | | |
| General and administrative | | | |
| Accounting | 6,694 | 9,500 | 11,000 |
| Audit | - | - | 2,000 |
| County Treasurer's fees | 864 | 22,288 | 38,089 |
| Legal services | - | 5,000 | 5,000 |
| Dues and licenses | 225 | 1,238 | 2,000 |
| Insurance and bonds | 2,858 | 3,160 | 3,500 |
| District management | 1,890 | 3,500 | 5,000 |
| Transfers to District No. 3 | 50,000 | 2,238,000 | 2,645,000 |
| Miscellaneous/Contingency | 1,860 | 2,875 | 5,444 |
| Election expense | - | 100 | - |
| Total expenditures | <u>64,391</u> | <u>2,285,661</u> | <u>2,717,033</u> |
| Total expenditures and transfers out requiring appropriation | <u>64,391</u> | <u>2,285,661</u> | <u>2,717,033</u> |
| ENDING FUND BALANCES | <u>\$ 3,782</u> | <u>\$ -</u> | <u>\$ -</u> |
| EMERGENCY RESERVE | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| TOTAL RESERVE | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

No assurance provided. See summary of significant assumptions.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

12/18/2020

| | ACTUAL 2019 | ESTIMATED 2020 | BUDGET 2021 |
|--------------------------------|---------------------|----------------------|----------------------|
| ASSESSED VALUATION | | | |
| Residential | \$ 29,830 | \$ - | \$ - |
| Agricultural | 34,750 | 34,770 | 34,810 |
| Oil & Gas | - | 21,779,290 | 38,839,910 |
| State assessed | 47,780 | 116,210 | 198,560 |
| Vacant land | 20 | 20 | 20 |
| Personal property | 907,790 | 2,833,700 | 3,248,090 |
| Certified Assessed Value | <u>\$ 1,020,170</u> | <u>\$ 24,763,990</u> | <u>\$ 42,321,390</u> |
| MILL LEVY | | | |
| General | 60.000 | 60.000 | 60.000 |
| Total mill levy | <u>60.000</u> | <u>60.000</u> | <u>60.000</u> |
| PROPERTY TAXES | | | |
| | \$ 61,210 | \$ 1,485,839 | \$ 2,539,283 |
| Levied property taxes | 61,210 | 1,485,839 | 2,539,283 |
| Adjustments to actual/rounding | - | - | - |
| Refunds and abatements | (4,117) | - | - |
| Budgeted property taxes | <u>\$ 57,093</u> | <u>\$ 1,485,839</u> | <u>\$ 2,539,283</u> |
| BUDGETED PROPERTY TAXES | | | |
| General | <u>\$ 57,093</u> | <u>\$ 1,485,839</u> | <u>\$ 2,539,283</u> |
| | <u>\$ 57,093</u> | <u>\$ 1,485,839</u> | <u>\$ 2,539,283</u> |

No assurance provided. See summary of significant assumptions.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 1
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Prairie Center Metropolitan District No. 1 (District), a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Adams County, Colorado. The District was formed by order and decree of the District Court for Adams County on August 14, 1985. The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including streets, transportation, drainage improvements, traffic and safety controls, park and recreation facilities, water, sewer, television relay and translator and mosquito and pest control services.

On November 7, 2000, the District's voters authorized total indebtedness of \$113,000,000 for construction of public improvements and operations and maintenance expenditures and \$113,000,000 for debt refunding. Legal counsel has advised the Board that because of the length of time that has passed since the 2000 authorization, they should not rely upon the validity of the 2000 authorization with respect to unissued debt. The Board has adopted this position and does not consider the 2000 authorization to be valid with respect to unissued debt.

On November 2, 2004, the District's voters authorized an additional total indebtedness of \$1,350,000,000 for construction of public improvements and operations and maintenance expenditures. The District's voters also authorized an additional total indebtedness of \$150,000,000 for debt refunding, and \$300,000,000 each for intergovernmental agreements and for multiple fiscal year obligations. Additionally, on November 2, 2004, the District's voters authorized the District to collect, retain and spend all revenues in excess of TABOR spending, revenue raising or other limitations.

The Service Plans for District Nos. 2 – 10 limit the aggregate amount of debt that they may issue together with any debt issued by the District to \$750,000,000.

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 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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 1
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

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 7% of the property taxes collected.

Expenditures

General and Administrative Expenditures

General and administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the costs of services necessary to maintain the District's administrative viability such as accounting, managerial, insurance, and other administrative expenses.

County Treasurer's Fees

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

Transfer to Prairie Center Metropolitan District No. 3

The Boards of District Nos. 1 and 3 have determined that it is in the respective Districts' best interest that District No. 1 impose 60.000 mills and remit the revenues, net of fees and administrative expenditures, to District No. 3 as consideration for the benefits derived from the public improvements constructed, operated and maintained by District No. 3 which benefit the service area.

Debt and Leases

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

Reserves

Emergency Reserve

The District has not provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2021, as defined under TABOR, because net tax revenue is transferred to Prairie Center Metropolitan District No. 3, the Operating District, which provides for the required reserve amount.

This information is an integral part of the accompanying budget.