

I-25/ PROSPECT INTERCHANGE METROPOLITAN DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2022

**I-25/PROSPECT INTERCHANGE METROPOLITAN DISTRICT
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/12/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ (16,580)	\$ (18,139)	\$ 1,506
REVENUES			
Property taxes	1,516	1,532	1,156
Specific ownership tax	109	117	81
Interest income	-	17	-
Developer advance	37,763	80,979	55,000
Total revenues	<u>39,388</u>	<u>82,645</u>	<u>56,237</u>
Total funds available	<u>22,808</u>	<u>64,506</u>	<u>57,743</u>
EXPENDITURES			
General and administrative			
Accounting	12,243	19,000	22,000
Cost verification and acceptance	-	8,819	-
County Treasurer's fee	30	31	23
Dues and licenses	233	300	300
District management	760	7,000	7,700
Insurance and bonds	2,510	2,810	3,000
Election expense	-	-	1,170
Legal services	25,094	25,000	22,000
Miscellaneous	77	40	10
Website	-	-	1,500
Total expenditures	<u>40,947</u>	<u>63,000</u>	<u>57,703</u>
Total expenditures and transfers out requiring appropriation	<u>40,947</u>	<u>63,000</u>	<u>57,703</u>
ENDING FUND BALANCE	<u>\$ (18,139)</u>	<u>\$ 1,506</u>	<u>\$ 40</u>
EMERGENCY RESERVE	<u>\$ 49</u>	<u>\$ 50</u>	<u>\$ 37</u>

No assurance provided. See summary of significant assumptions.

**I-25/PROSPECT INTERCHANGE METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/12/22

ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
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ASSESSED VALUATION

Residential	\$ 6,592	\$ 6,592	\$ 6,685
Commercial	67,805	70,563	69,583
Agricultural	77,240	76,037	76,122
State assessed	-	-	1,738
Certified Assessed Value	\$ 151,637	\$ 153,192	\$ 154,128

MILL LEVY

General	10.000	10.000	7.500
Total mill levy	10.000	10.000	7.500

PROPERTY TAXES

General	\$ 1,516	\$ 1,532	\$ 1,156
Levied property taxes	1,516	1,532	1,156
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	\$ 1,516	\$ 1,532	\$ 1,156

BUDGETED PROPERTY TAXES

General	\$ 1,516	\$ 1,532	\$ 1,156
	\$ 1,516	\$ 1,532	\$ 1,156

**I-25/PROSPECT INTERCHANGE METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

I-25/Prospect Interchange Metropolitan District (District), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Larimer County on July 19, 2018, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within the City of Fort Collins, Larimer County, Colorado.

The District was established to finance a portion of the costs of the redevelopment of the interchange at Interstate Highway 25 and Prospect Road, currently owned by the State of Colorado and operated and maintained by the Colorado Department of Transportation.

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 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.

The calculation of the taxes levied is displayed on Property Tax Summary page of the budget at the adopted total mill levy of 10.000 mills, which is the maximum amount of mills as required by the Capital Pledge Agreement.

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 the District's share will be equal to approximately 7.0% of the property taxes collected by the General Fund.

**I-25/PROSPECT INTERCHANGE METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Developer Advances

The District is in the development stage. As such, the operating and administrative costs for 2022 are to be primarily funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for reimbursement by the District.

Expenditures

County Treasurer's Fees

County Treasurer's collection fees have been computed at 2.0% of property taxes.

General and Administrative Expenditures

General and administrative expenditures include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, and other administrative expenses.

Repayment to City of Fort Collins

In accordance with District's Capital Pledge Agreement, the District agreed to pledge certain revenues to fund costs of the I-25/Prospect Interchange Project in the amount of \$8,250,000, plus financing costs and interest as provided in the agreement. In connection with the execution and delivery of the Binding Agreement, the City granted the TCEF Credit in the amount of \$700,000, which reduced the amount that the District agreed to pay to fund the Project to \$7,550,000, plus financing costs and interest. The City has agreed in the Binding Agreement to grant the ROW Credit in the amount of \$500,000 to further reduce the principal amount of the District's Share upon compliance with the provisions set forth in the Agreement.

The initial principal amount of the District's share shall be calculated on the date of execution and delivery of the Certificates of Participation. The principal amount of the District's Share shall be an amount equal to \$7,550,000, plus the District's financing costs, less the ROW Credit to the extent that the ROW Credit has been granted on or prior to the execution and delivery of the Certificates of Participation. In 2019, the City issued \$7,071,728 of Certificates of Participation related to the construction of the interchange. The obligation to pay the District's share is payable solely from and to the extent of Pledged Revenues. No payment is anticipated to be made in 2022.

Debt and Leases

The District has a liability to the Developer as reflected in the schedule below. The District has no capital or operating leases.

**I-25/PROSPECT INTERCHANGE METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

	<u>Balance at 12/31/2020</u>	<u>Additions*</u>	<u>Payments/ Adjustments*</u>	<u>Balance at 12/31/2021*</u>
Developer Advances				
Operations/Formation	\$ 187,328	\$ 80,979	\$ (7,507)	\$ 260,800
Accrued Interest	25,082	16,952	(1,237)	40,797
	<u>\$ 212,410</u>	<u>\$ 97,931</u>	<u>\$ (8,744)</u>	<u>\$ 301,597</u>
	<u>Balance at 12/31/2021*</u>	<u>Additions*</u>	<u>Payments*</u>	<u>Balance at 12/31/2022*</u>
Developer Advances				
Operations/Formation	\$ 260,800	\$ 55,000	\$ -	\$ 315,800
Accrued Interest	40,797	20,527	-	61,324
	<u>\$ 301,597</u>	<u>\$ 75,527</u>	<u>\$ -</u>	<u>\$ 377,124</u>

*Estimated amounts

Reserves

The District has provided for an Emergency Reserve equal to at least 3% of the fiscal year spending in 2022, as defined under TABOR.

This information is an integral part of the accompanying budget.