

WATKINS ROAD HOLDINGS METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023

**WATKINS ROAD HOLDINGS METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/5/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 115,209	\$ 135,718	\$ 129,487
REVENUES			
Property taxes	46,269	38,875	81,605
Specific ownership tax	3,189	2,394	4,896
Interest income	38	500	1,500
Total revenues	<u>49,496</u>	<u>41,769</u>	<u>88,001</u>
Total funds available	<u>164,705</u>	<u>177,487</u>	<u>217,488</u>
EXPENDITURES			
General and administrative			
Accounting	6,402	13,000	15,000
County Treasurer's fee	694	584	1,224
Dues and licenses	3,150	3,150	3,150
Insurance and bonds	10,133	15,133	6,650
Legal services	7,658	10,000	18,000
Miscellaneous	-	600	-
Election expense	-	3,474	4,000
Contingency	950	2,059	1,976
Total expenditures	<u>28,987</u>	<u>48,000</u>	<u>50,000</u>
Total expenditures and transfers out requiring appropriation	<u>28,987</u>	<u>48,000</u>	<u>50,000</u>
ENDING FUND BALANCE	<u>\$ 135,718</u>	<u>\$ 129,487</u>	<u>\$ 167,488</u>
EMERGENCY RESERVE	<u>\$ 1,500</u>	<u>\$ 1,300</u>	<u>\$ 2,700</u>
TOTAL RESERVE	<u>\$ 1,500</u>	<u>\$ 1,300</u>	<u>\$ 2,700</u>

No assurance provided. See summary of significant assumptions.

WATKINS ROAD HOLDINGS METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

12/5/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION			
Vacant land	\$ 36,840	\$ 41,633	\$ 41,633
Agricultural	88	91	83
Personal property	246,045	242,536	269,321
Oil and Gas	378,018	271,098	854,745
Certified Assessed Value	<u>\$ 660,991</u>	<u>\$ 555,358</u>	<u>\$ 1,165,782</u>
MILL LEVY			
General	70.000	70.000	70.000
Total mill levy	<u>70.000</u>	<u>70.000</u>	<u>70.000</u>
PROPERTY TAXES			
General	\$ 46,269	\$ 38,875	\$ 81,605
Budgeted property taxes	<u>\$ 46,269</u>	<u>\$ 38,875</u>	<u>\$ 81,605</u>
BUDGETED PROPERTY TAXES			
General	<u>\$ 46,269</u>	<u>\$ 38,875</u>	<u>\$ 81,605</u>
	<u>\$ 46,269</u>	<u>\$ 38,875</u>	<u>\$ 81,605</u>

No assurance provided. See summary of significant assumptions.

**WATKINS ROAD HOLDINGS METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court of the County of Arapahoe on November 26, 2018, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City of Aurora on August 6, 2018. The District's service area is located entirely within the City of Aurora, in Arapahoe County, Colorado.

The District was established to provide financing for the planning, design, acquisition, construction, installation, relocation, and redevelopment of public improvements, including but not limited to street improvements, traffic and safety controls, retaining walls, park and recreation improvements and facilities, trails, open space, landscaping, drainage improvements, and irrigation system improvements.

Pursuant to the Service Plan, the Districts are permitted to issue bond indebtedness of up to \$450 million. In the future, the Districts may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the Districts' 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 contractual.

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.

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.

**WATKINS ROAD HOLDINGS METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.5%.

Expenditures

Administrative Expenditures

Administrative expenditures for the project 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, audit, accounting, insurance, management, maintenance and other administrative expenses.

Debt and Leases

The District has no debt or operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR.

This information is an integral part of the accompanying budget.