

LETTER OF BUDGET TRANSMITTAL

Date: January 31, 2023

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

Attached are the 2023 budget and budget message for SW Prospect I-25 Metropolitan District No. 7 in Larimer County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 10, 2022. If there are any questions on the budget, please contact:

Lisa Johnson, District Manager  
CliftonLarsonAllen LLP  
8390 E. Crescent Parkway, Suite 300  
Greenwood Village, CO 80111  
Telephone number: 303-779-5710  
[Lisa.Johnson@claconnect.com](mailto:Lisa.Johnson@claconnect.com)

I, Lisa Johnson, District Manager of the SW Prospect I-25 Metropolitan District No. 7 hereby certify that the attached is a true and correct copy of the 2023 budget.

By: 

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Lisa Johnson, District Manager

**RESOLUTION**  
**ADOPTING BUDGET, APPROPRIATING FUNDS AND CERTIFYING MILL LEVIES**  
**FOR THE CALENDAR YEAR 2023**

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The Board of Directors of SW Prospect I-25 Metropolitan District No. 7 (the “**Board**”), City of Fort Collins, Larimer County, Colorado (the “**District**”), held a regular meeting, via teleconference on November 10, 2022, at the hour of 2:30 p.m.

Prior to the meeting, each of the directors was notified of the date, time, and place of the budget meeting and the purpose for which it was called and a notice of the meeting was posted or published in accordance with §29-1-106, C.R.S.

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NOTICE AS TO PROPOSED 2023 BUDGET

**NOTICE OF PUBLIC HEARING ON  
THE AMENDED 2022 BUDGET**

**AND**

**NOTICE OF PUBLIC HEARING ON  
THE PROPOSED 2023 BUDGET**

NOTICE IS HEREBY GIVEN that the Board of Directors (the "Board") of the SW PROSPECT I-25 METROPOLITAN DISTRICT NO. 7 (the "District"), will hold a meeting via teleconference on November 10, 2022 at 2:30 p.m., for the purpose of conducting such business as may come before the Board including a public hearing on the 2023 proposed budget (the "Proposed Budget"). The necessity may also arise for an amendment to the 2022 budget (the "Amended Budget").

You can attend the meetings in any of the following ways:

1. To attend via video conference, email [cindy.jenkins@claconnect.com](mailto:cindy.jenkins@claconnect.com) to obtain a link to the video conference or go to the District's website at [www.swprospecti-25mds.com](http://www.swprospecti-25mds.com) and obtain the link from the Notice of Meeting & Agenda.

2. To attend via telephone, dial 1-720-547-5281 and enter the following information:

Phone Conference ID: 303 692 810#

NOTICE IS FURTHER GIVEN that the Proposed Budget and Amended Budget (if applicable) have been submitted to the District. A copy of the Proposed Budget and Amended Budget are on file in the office of CliftonLarsonAllen LLP, 8390 E Crescent Pkwy #300, Greenwood Village, CO 80111, where the same are open for public inspection.

Any interested elector of the District may file any objections to the Proposed Budget and Amended Budget at any time prior to final adoption of the Proposed Budget or the Amended Budget by the Board. This meeting is open to the public and the agenda for any meeting may be obtained by calling (303) 858-1800.

BY ORDER OF THE BOARD OF DIRECTORS:

SW PROSPECT I-25 METROPOLITAN DISTRICT NO. 7, a quasi-municipal corporation and political subdivision of the State of Colorado

/s/ WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law  
Published in: The Coloradoan  
Published on: October 26, 2022

WHEREAS, the Board has designated its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held, and interested electors were given the opportunity to register their protest to the proposed budget prior to the adoption of the budget by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2023. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2023 budget year, 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 District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2023 budget year, 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 District.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2023 budget year, 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 District.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2023 budget year, 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 District.

Section 6. Mill Levy Adjustment. When developing the attached budget, consideration was given to any changes in the method of calculating assessed valuation, including any changes to the assessment ratios, or any constitutionally mandated tax credit, cut, or abatement, as authorized in the District's service plan. The Board hereby determines in good faith (such determination to be binding and final), that to the extent possible, the adjustments to the mill levies made to account for changes in Colorado law described in the prior sentence, and the actual tax revenues generated by the mill levies, are neither diminished nor enhanced as a result of those changes.

Section 7. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant, or other designee to certify to the Board of County Commissioners of Larimer County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 8. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 9. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager, or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 10. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

*[Remainder of Page Intentionally Left Blank]*

ADOPTED NOVEMBER 10, 2022.

**DISTRICT:**

**SW PROSPECT I-25 METROPOLITAN DISTRICT NO. 7**, a quasi-municipal corporation and political subdivision of the State of Colorado

By: \_\_\_\_\_ <sup>DocuSigned by:</sup>  
*Michael "Bo" Brown*  
1E4A76D2G2374D6...  
Officer of the District

Attest:

By: \_\_\_\_\_ <sup>DocuSigned by:</sup>  
*Brian H Q*  
CE98D3ED5BD940E...

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

\_\_\_\_\_  
<sup>DocuSigned by:</sup>  
*Eve Velasco*  
5582C036FFC44E4...  
General Counsel to the District

STATE OF COLORADO  
COUNTY OF LARIMER  
SW PROSPECT I-25 METROPOLITAN DISTRICT NO. 7

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held via teleconference on November 10, 2022, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 31st day of January 2023.

\_\_\_\_\_  
<sup>DocuSigned by:</sup>  
*Brian H Q*  
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**EXHIBIT A**  
**BUDGET DOCUMENT**  
**BUDGET MESSAGE**



**SW PROSPECT I25 METROPOLITAN DISTRICT NO. 7**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**

**SW PROSPECT I25 METROPOLITAN DISTRICT NO. 7  
SUMMARY  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

12/6/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ (10,359)	\$ 5,241	\$ -
REVENUES			
Developer Advance - Operations	50,000	35,000	55,000
Developer Advance - Capital Outlay	-	100,000	100,000
Total revenues	<u>50,000</u>	<u>135,000</u>	<u>155,000</u>
Total funds available	<u>39,641</u>	<u>140,241</u>	<u>155,000</u>
EXPENDITURES			
General Fund	34,400	40,241	55,000
Capital Projects Fund	-	100,000	100,000
Total expenditures	<u>34,400</u>	<u>140,241</u>	<u>155,000</u>
Total expenditures and transfers out requiring appropriation	<u>34,400</u>	<u>140,241</u>	<u>155,000</u>
ENDING FUND BALANCES	<u>\$ 5,241</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**SW PROSPECT I25 METROPOLITAN DISTRICT NO. 7  
PROPERTY TAX SUMMARY INFORMATION  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

12/6/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
<b>ASSESSED VALUATION</b>			
Agricultural	\$ 99	\$ 107	\$ 98
State Assessed	-	-	303
Certified Assessed Value	<u>\$ 99</u>	<u>\$ 107</u>	<u>\$ 401</u>
<b>MILL LEVY</b>			
General	0.000	0.000	0.000
Total mill levy	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
<b>PROPERTY TAXES</b>			
General	\$ -	\$ -	\$ -
Levied property taxes	-	-	-
Budgeted property taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**SW PROSPECT I25 METROPOLITAN DISTRICT NO. 7  
GENERAL FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

12/6/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ (10,359)	\$ 5,241	\$ -
REVENUES			
Developer Advance	50,000	35,000	55,000
Total revenues	<u>50,000</u>	<u>35,000</u>	<u>55,000</u>
Total funds available	<u>39,641</u>	<u>40,241</u>	<u>55,000</u>
EXPENDITURES			
General and administrative			
Accounting	12,006	15,000	19,000
Dues	300	305	500
Insurance	2,551	2,552	3,000
District Management	6,278	6,500	9,000
Legal	11,515	11,750	19,000
Miscellaneous	1,750	-	-
Election	-	3,275	2,500
Contingency	-	109	1,000
Website	-	750	1,000
Total expenditures	<u>34,400</u>	<u>40,241</u>	<u>55,000</u>
Total expenditures and transfers out requiring appropriation	<u>34,400</u>	<u>40,241</u>	<u>55,000</u>
ENDING FUND BALANCE	<u>\$ 5,241</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**SW PROSPECT I25 METROPOLITAN DISTRICT NO. 7  
CAPITAL PROJECTS FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

12/6/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Developer Advance - Capital Outlay	-	100,000	100,000
Total revenues	<u>-</u>	<u>100,000</u>	<u>100,000</u>
Total funds available	<u>-</u>	<u>100,000</u>	<u>100,000</u>
EXPENDITURES			
Capital Outlay	-	100,000	100,000
Total expenditures	<u>-</u>	<u>100,000</u>	<u>100,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>100,000</u>	<u>100,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**SW PROSPECT I25 METROPOLITAN DISTRICT NO. 7  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

SW Prospect I25 Metropolitan District No. 7 (District), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized concurrently with SW Prospect I25 Metropolitan District Nos. 1-6 (collectively the Districts) by order and decree of the District Court for Larimer County on June 1, 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.

Pursuant to the Consolidated Service Plan, District No. 7 will serve as the service district and will be responsible for managing the construction and operation of the facilities and improvements for the Districts. Districts Nos. 1-6 will serve as the financing districts and are responsible for providing the funding and tax base needed to support the capital improvements.

During elections held on May 8, 2018, a majority of the District's electors authorized general obligation indebtedness of \$1,759,500,000 for the above listed facilities, intergovernmental agreements and debt refunding. Additionally, on May 8, 2018, 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 Consolidated Service Plan limits the aggregate amount of debt that may be issued by the Districts to \$103,500,000.

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**

**Developer Advances**

The District is in the development stage. As such, the operating and administrative as well as capital costs for 2023 are to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

**Expenditures**

**General and Administrative Expenditures**

The District, as the service district, will provide for all general and administrative expenditures for the Districts. General and administrative expenditures include the services necessary to maintain the Districts' administrative viability such as legal, accounting, managerial, insurance, meeting and other administrative expenses

**SW PROSPECT I25 METROPOLITAN DISTRICT NO. 7  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Capital Outlay**

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

**Debt and Leases**

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

**Reserves**

TABOR requires local governments to establish an emergency reserve equal to at least 3% of fiscal year spending as defined under TABOR. Since all revenue anticipated in 2023 are related to developer advances, no emergency reserve has been provided for.

**This information is an integral part of the accompanying budget.**





**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<sup>J</sup>:**

- 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<sup>K</sup>:**

- 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.