

THE CANYONS METROPOLITAN DISTRICT NO. 7
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023

**THE CANYONS METROPOLITAN DISTRICT NO. 7
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	\$ (484,536)	\$ (487,421)	\$ 495,757
REVENUES			
Property taxes	348,866	581,692	803,689
Specific ownership taxes	33,644	46,600	72,332
Interest income	140	6,000	16,200
Operations and maintenance fee	100,673	215,340	282,690
Developer advance	-	-	-
Developer contribution	16,704,428	18,972,262	21,760,591
Penalties and fees	2,825	4,750	5,000
Total revenues	<u>17,190,576</u>	<u>19,826,644</u>	<u>22,940,502</u>
TRANSFERS IN	<u>221,942</u>	<u>122,410</u>	<u>346,698</u>
Total funds available	<u>16,927,982</u>	<u>19,461,633</u>	<u>23,782,957</u>
EXPENDITURES			
General Fund	112,856	156,466	205,000
Special Revenue Fund	325,440	342,500	584,388
Capital Projects Fund	16,755,165	18,344,500	21,760,591
Capital Repair and Replacement Fund	-	-	-
Total expenditures	<u>17,193,461</u>	<u>18,843,466</u>	<u>22,549,979</u>
TRANSFERS OUT	<u>221,942</u>	<u>122,410</u>	<u>346,698</u>
Total expenditures and transfers out requiring appropriation	<u>17,415,403</u>	<u>18,965,876</u>	<u>22,896,677</u>
ENDING FUND BALANCES	<u>\$ (487,421)</u>	<u>\$ 495,757</u>	<u>\$ 886,280</u>
EMERGENCY RESERVE	<u>\$ 11,500</u>	<u>\$ 19,100</u>	<u>\$ 26,800</u>
TOTAL RESERVE	<u>\$ 11,500</u>	<u>\$ 19,100</u>	<u>\$ 26,800</u>

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 7
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

Residential - Single Family	\$ 1,784,290	\$ 10,892,130	\$ 27,342,740
Commercial	183,810	-	-
Agricultural	8,090	7,450	5,700
State assessed	700	700	3,800
Vacant land	16,101,460	19,102,940	15,271,150
Natural Resources	2,250	2,250	2,250
Personal property	353,480	771,690	676,550
Certified Assessed Value	\$ 18,434,080	\$ 30,777,160	\$ 43,302,190

MILL LEVY

General	18.925	18.925	18.560
Total mill levy	18.925	18.925	18.560

PROPERTY TAXES

General	\$ 348,865	\$ 582,458	\$ 803,689
Levied property taxes	348,865	582,458	803,689
Adjustments to actual/rounding	1	-	-
Refunds and abatements	-	(766)	-
Budgeted property taxes	\$ 348,866	\$ 581,692	\$ 803,689

BUDGETED PROPERTY TAXES

General	\$ 348,866	\$ 581,692	\$ 803,689
	\$ 348,866	\$ 581,692	\$ 803,689

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 7
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	\$ 92,489	\$ 140,341	\$ 495,757
REVENUES			
Property taxes	348,866	581,692	803,689
Specific ownership tax	33,644	46,600	72,332
Interest income	140	6,000	16,000
Total revenues	382,650	634,292	892,021
Total funds available	475,139	774,633	1,387,778
EXPENDITURES			
General and administrative			
Accounting	37,455	48,000	55,200
Auditing	5,000	5,000	5,500
County Treasurer's fee	5,235	8,737	12,055
Directors' fees	-	-	1,950
Dues and licenses	744	403	1,000
Insurance and bonds	6,212	6,926	8,500
District management	37,606	47,500	59,700
Legal services	19,173	30,000	35,000
Website	1,400	600	800
Miscellaneous	31	6,800	7,500
Election expense	-	2,500	7,500
Reserve study	-	-	5,000
Contingency	-	-	5,295
Total expenditures	112,856	156,466	205,000
TRANSFERS OUT			
Transfers to other funds	221,942	122,410	346,698
Total expenditures and transfers out requiring appropriation	334,798	278,876	551,698
ENDING FUND BALANCE	\$ 140,341	\$ 495,757	\$ 836,080
EMERGENCY RESERVE	\$ 11,500	\$ 19,100	\$ 26,800
TOTAL RESERVE	\$ 11,500	\$ 19,100	\$ 26,800

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 7
SPECIAL REVENUE 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	\$ -	\$ -	\$ -
REVENUES			
Operations and maintenance fee	100,673	215,340	282,690
Penalties and fees	2,825	4,750	5,000
Total revenues	<u>103,498</u>	<u>220,090</u>	<u>287,690</u>
TRANSFERS IN			
Transfers from other funds	<u>221,942</u>	<u>122,410</u>	<u>296,698</u>
Total funds available	<u>325,440</u>	<u>342,500</u>	<u>584,388</u>
EXPENDITURES			
Operations and maintenance			
Landscaping - Contract	44,258	110,000	222,353
Trails	-	3,000	-
Parks - Playground Equipment	-	-	2,000
Irrigation and Landscaping Maintenance	-	15,000	50,000
Water	252,805	125,000	150,000
Snow Removal	27,008	85,000	90,000
Bridge Cover	-	-	7,000
Contingency	-	-	49,035
Repairs and Maintenance	1,369	1,500	8,000
Site Utilities	-	3,000	6,000
Total expenditures	<u>325,440</u>	<u>342,500</u>	<u>584,388</u>
Total expenditures and transfers out requiring appropriation	<u>325,440</u>	<u>342,500</u>	<u>584,388</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 7
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	\$ (577,025)	\$ (627,762)	\$ -
REVENUES			
Developer Contribution	16,704,428	18,972,262	21,760,591
Total revenues	<u>16,704,428</u>	<u>18,972,262</u>	<u>21,760,591</u>
Total funds available	<u>16,127,403</u>	<u>18,344,500</u>	<u>21,760,591</u>
EXPENDITURES			
General and Administrative			
Accounting	10,526	18,500	21,300
Legal services	25,223	31,000	34,500
Capital Projects			
Landscaping	3,333,921	-	-
Engineering	964,374	710,000	-
Water	2,097,928	-	-
Sewer	1,978,605	-	-
Drainage/Storm	1,835,433	-	-
Street improvements	6,384,822	-	-
Superblock Infrastructure	-	3,550,000	4,247,485
Filing 1	-	50,000	-
Filing 1 1st Amendment	-	20,000	-
Filing 1 2nd Amendment	-	625,000	-
Filing 1 3rd Amendment	-	40,000	-
Filing 1 6th Amendment	-	600,000	-
Filing 2	-	100,000	-
Filing 2 1st Amendment LDA	-	8,500,000	-
Filing 3 LDA	-	-	12,892,031
Superblock Phase 2 Infrastructure	-	4,100,000	2,150,000
Warranty Reserves	-	-	442,112
Parks and Recreation	124,333	-	-
Contingency	-	-	1,973,163
Total expenditures	<u>16,755,165</u>	<u>18,344,500</u>	<u>21,760,591</u>
Total expenditures and transfers out requiring appropriation	<u>16,755,165</u>	<u>18,344,500</u>	<u>21,760,591</u>
ENDING FUND BALANCE	<u>\$ (627,762)</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 7
 CAPITAL REPAIR AND REPLACEMENT 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	\$ -	\$ -	\$ -
REVENUES			
Interest income	-	-	200
Total revenues	-	-	200
TRANSFERS IN			
Transfers from other funds	-	-	50,000
Total funds available	-	-	50,200
EXPENDITURES			
Total expenditures	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ 50,200

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 7
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized to provide financing for the design, acquisition, installation and construction of storm and sanitary sewers, water systems, streets, parks and recreation facilities, transportation systems, television relay and translator facilities, security, mosquito control and fire protection and operation and maintenance of the District. The District's service area is located in the City of Castle Pines in Douglas County, Colorado and the District operates in connection with Districts Nos. 1 - 6 and 8 - 11.

The District was formed by District Court Order on June 4, 2010, and held its organizational meeting on December 6, 2010. The relationship between District No. 5, District No. 6, and District No. 7, including the means for approving, financing, constructing and operating the public services and improvements needed to serve the property are outlined in the Master Reimbursement Agreement executed December 29, 2015 by the District and District Nos. 5 and 6.

On May 4, 2010, District voters approved authorization to increase property taxes up to \$100,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District as well as \$100,000,000, annually, as necessary to pay for the capital expenditures of the District. Debt authorization was approved in the amount of \$1,300,000,000 for the above listed facilities and \$100,000,000 for refunding debt. 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 or any other law.

On November 4, 2014, District voters approved authorization to increase property taxes up to \$226,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District as well as \$226,000,000, annually, as necessary to pay for the capital expenditures of the District. Debt authorization was approved in the amount of \$2,260,000,000 for the above listed facilities and \$226,000,000 for refunding debt. 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 or any other law.

Pursuant to the Consolidated Service Plan, as amended, the maximum mill levy for general obligation debt and operations and maintenance is 69.000 mills of which the District imposes 18.560 mills for operations. This limit is to be adjusted for increases or decreases in the residential assessment ratio so that the actual tax revenues derived from the mill levy, as adjusted, are neither diminished nor enhanced as a result.

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.

**THE CANYONS METROPOLITAN DISTRICT NO. 7
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Developer Advance

The District is in the development stage. As such, the operating and administrative expenditures are to be partially funded by the Developer. Advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse from available revenue.

Developer Contributions

The District is in the development stage. As such, the capital expenditures are to be funded by the Developer. The District will receive contributions to fund such costs with no obligation for repayment.

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 the property tax page of the Budget and is pursuant to the Master Reimbursement Agreement. Collectively, Districts Nos. 5, 6, and 7 are permitted to levy 69.000 mills, subject to being adjusted for changes in the assessment ration which brings the total mill levy for all three districts to 75.330 mills. The total adopted mill levy is shown on the Property Tax Summary page of the budget.

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%.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing with 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 9% of the property taxes collected.

**THE CANYONS METROPOLITAN DISTRICT NO. 7
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4%.

Operations and Maintenance Fees

The District will collect a fee of \$30 per month from homeowners of the District to pay for the District's costs of operations.

Expenditures

County Treasurer's Fees

County Treasurer's collection fees have been computed at 1.5% of property taxes.

Administrative and Operating Expenditures

Administrative and operating 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 accounting, legal, insurance, and other administrative expenditures.

Capital Outlay

The District anticipates capital expenditures as noted on the Capital Projects Fund page of the budget. The District will own, operate and maintain all District eligible public improvements within its boundaries that are not dedicated to any other public entity. District Nos. 5 and 6 will finance the cost of such improvements. Beginning in 2023, Shea Homes will be constructing public infrastructure instead of the District.

**THE CANYONS METROPOLITAN DISTRICT NO. 7
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

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

Below is the schedule of long-term obligations of the District:

	Balance at			Balance at			Balance at
	December 31, 2021	Additions	Repayments	December 31, 2022	Additions*	Repayments*	December 31, 2023*
Developer Advances - O&M	\$ 187,433	\$ -	\$ -	\$ 187,433	\$ -	\$ -	\$ 187,433
	187,433	-	-	187,433	-	-	187,433
Accrued Interest - Developer Advances - O&M	32,887	15,811	-	48,698	15,811	-	64,509
	32,887	15,811	-	48,698	15,811	-	64,509
	\$ 220,320	\$ 15,811	\$ -	\$ 236,131	\$ 15,811	\$ -	\$ 251,942
* Estimate							

Reserves

Emergency Reserves

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.