

THE CANYONS METROPOLITAN DISTRICT NO. 7

FINANCIAL STATEMENTS

JANUARY 31, 2023

THE CANYONS METROPOLITAN DISTRICT NO. 7
BALANCE SHEET - GOVERNMENTAL FUNDS
JANUARY 31, 2023

	General	Special Revenue O&M	Capital Projects	Total
ASSETS				
1st Bank	\$ 6,761	\$ 44,330	\$ 385,980	\$ 437,071
Colostrust	556,036	28,066	-	584,102
Due from other funds	-	19,110	-	19,110
Accounts receivable	-	8,844	611,328	620,172
Receivable from County Treasurer	20,304	-	-	20,304
TOTAL ASSETS	<u>\$ 583,101</u>	<u>\$ 100,350</u>	<u>\$ 997,308</u>	<u>\$ 1,680,759</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
CURRENT LIABILITIES				
Accounts payable	\$ 17,495	\$ 72,212	\$ 977,535	\$ 1,067,242
Retainage payable	-	961	933,409	934,370
Due to other funds	-	-	19,110	19,110
TOTAL LIABILITIES	<u>17,495</u>	<u>73,173</u>	<u>1,930,054</u>	<u>2,020,722</u>
DEFERRED INFLOWS OF RESOURCES				
Prepaid O&M fees	\$ -	\$ 27,177	\$ -	\$ 27,177
TOTAL LIABILITIES	<u>-</u>	<u>27,177</u>	<u>-</u>	<u>27,177</u>
FUND BALANCES				
Total Fund Balances	<u>565,606</u>	<u>-</u>	<u>(932,746)</u>	<u>(367,140)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 583,101</u>	<u>\$ 100,350</u>	<u>\$ 997,308</u>	<u>\$ 1,680,759</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

THE CANYONS METROPOLITAN DISTRICT NO. 7
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE ONE MONTH ENDED JANUARY 31, 2023

GENERAL FUND

	Annual Budget	Year to Date Actual	Variance
REVENUES			
Property taxes	\$ 803,689	\$ 14,452	\$ (789,237)
Specific ownership tax	72,332	6,069	(66,263)
Interest income	16,000	2,320	(13,680)
TOTAL REVENUES	892,021	22,841	(869,180)
EXPENDITURES			
Accounting	55,200	5,085	50,115
Auditing	5,500	-	5,500
County Treasurer's fee	12,055	217	11,838
Directors' fees	1,950	-	1,950
Dues and licenses	1,000	-	1,000
Insurance and bonds	8,500	6,760	1,740
District management	59,700	5,416	54,284
Legal services	35,000	1,558	33,442
Website	800	-	800
Election expense	7,500	778	6,722
Reserve Study	5,000	-	5,000
Miscellaneous	7,500	-	7,500
Contingency	5,295	-	5,295
TOTAL EXPENDITURES	205,000	19,814	185,186
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	687,021	3,027	(683,994)
OTHER FINANCING SOURCES (USES)			
Transfers to other funds	(346,698)	(33,024)	313,674
TOTAL OTHER FINANCING SOURCES (USES)	(346,698)	(33,024)	313,674
NET CHANGE IN FUND BALANCES	340,323	(29,997)	(370,320)
FUND BALANCES - BEGINNING	495,757	595,603	99,846
FUND BALANCES - ENDING	\$ 836,080	\$ 565,606	\$ (270,474)

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THE CANYONS METROPOLITAN DISTRICT NO. 7
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE ONE MONTH ENDED JANUARY 31, 2023

SPECIAL REVENUE O&M FUND

	Annual Budget	Year to Date Actual	Variance
REVENUES			
Operations and maintenance fee	\$ 282,690	\$ 28,516	\$ (254,174)
Penalties and fees	5,000	572	(4,428)
TOTAL REVENUES	287,690	29,088	(258,602)
EXPENDITURES			
Repairs and maintenance	8,000	68	7,932
Landscaping	222,353	32,724	189,629
Bridge Cover	7,000	26	6,974
Site Utilities	6,000	116	5,884
Water	150,000	1,461	148,539
Snow Removal	90,000	14,330	75,670
Irrigation Maintenance	50,000	13,387	36,613
Parks - Playground Equipment	2,000	-	2,000
Contingency	49,035	-	49,035
TOTAL EXPENDITURES	584,388	62,112	522,276
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(296,698)	(33,024)	263,674
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	296,698	33,024	(263,674)
TOTAL OTHER FINANCING SOURCES (USES)	296,698	33,024	(263,674)
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -

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SUPPLEMENTARY INFORMATION

THE CANYONS METROPOLITAN DISTRICT NO. 7
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE ONE MONTH ENDED JANUARY 31, 2023

CAPITAL PROJECTS FUND

	Annual Budget	Year to Date Actual	Variance
REVENUES			
Interest income	\$ 200	\$ -	\$ (200)
TOTAL REVENUES	200	-	(200)
EXPENDITURES			
Accounting	21,300	2,613	18,687
Legal services	34,500	823	33,677
Superblock Infrastructure	4,247,485	23,318	4,224,167
Filing 3 LDA	12,892,031	-	12,892,031
Superblock Phase 2 Infrastructure	2,150,000	8,074	2,141,926
Warranty Reserves	442,112	-	442,112
Contingency	1,973,163	-	1,973,163
TOTAL EXPENDITURES	21,760,591	34,828	21,725,763
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(21,760,391)	(34,828)	21,725,563
OTHER FINANCING SOURCES (USES)			
Developer Contribution	21,760,591	-	(21,760,591)
Transfers from other funds	50,000	-	(50,000)
TOTAL OTHER FINANCING SOURCES (USES)	21,810,591	-	(21,810,591)
NET CHANGE IN FUND BALANCES	50,200	(34,828)	(85,028)
FUND BALANCES - BEGINNING	-	(897,918)	(897,918)
FUND BALANCES - ENDING	\$ 50,200	\$ (932,746)	\$ (982,946)

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**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
	<u>187,433</u>	<u>-</u>	<u>-</u>	<u>187,433</u>	<u>-</u>	<u>-</u>	<u>187,433</u>
Accrued Interest - Developer Advances - O&M	32,887	15,811	-	48,698	15,811	-	64,509
	<u>32,887</u>	<u>15,811</u>	<u>-</u>	<u>48,698</u>	<u>15,811</u>	<u>-</u>	<u>64,509</u>
	<u>\$ 220,320</u>	<u>\$ 15,811</u>	<u>\$ -</u>	<u>\$ 236,131</u>	<u>\$ 15,811</u>	<u>\$ -</u>	<u>\$ 251,942</u>
* 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.

THE CANYONS METRO DISTRICT #7
Schedule of Cash Position
January 31, 2023
Updated as of March 1, 2023

	<u>General Fund</u>	<u>O&M Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
1st Bank Checking Account				
Balance as of January 31, 2023	\$ 6,760.58	\$ 44,350.44	\$ 385,979.89	\$ 437,090.91
Subsequent activities:				
02/02/23 - Transfer from CT	10,525.12	-	-	10,525.12
02/09/23 - Claims	(13,719.86)	(18,051.97)	(373,980.30)	(405,752.13)
02/17/23 - Funding Request #71	-	-	633,241.46	633,241.46
02/23/23 - Black Hills Energy	-	(164.34)	-	(164.34)
02/23/23 - Funding Request #71 - duplicate	-	-	633,241.46	633,241.46
02/28/23 - O&M Fees	-	24,709.83	-	24,709.83
02/28/23 - Transfer from CT	20,000.00	-	-	20,000.00
02/28/23 - Wire to Shea	-	-	(633,241.46)	(633,241.46)
02/28/23 - Claims	(4,902.74)	(62,121.74)	(644,684.57)	(711,709.05)
Anticipated Interfund Transfer	(11,277.78)	11,277.78	-	-
Anticipated Balance	\$ 7,385.32	\$ -	\$ 556.48	\$ 7,941.80
Colostrust Savings Account				
Balance as of January 31, 2023	\$556,035.92	\$ 28,066.00	\$ -	\$ 584,101.92
Subsequent activities:				
02/02/03 - Transfer to 1st Bank	(10,525.12)	-	-	(10,525.12)
02/10/23 - Property Taxes	20,304.04	-	-	20,304.04
02/28/23 - Transfer to 1st Bank	(20,000.00)	-	-	(20,000.00)
Anticipated Balance	\$ 545,814.84	\$ 28,066.00	\$ -	\$ 573,880.84
Total Anticipated Balances	\$ 553,200.16	\$ 28,066.00	\$ 556.48	\$ 581,822.64

Yield Information (as of January 31, 2023)
Colostrust - 4.5569%

THE CANYONS METRO DISTRICT #7
Schedule of Developer Funding
Updated as of March 1, 2023

	<u>General Fund</u>	<u>O&M Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Summary of Advances/Funding:				
2017 Totals	\$ 44,986.29	-	\$ 6,554,882.50	\$ 6,599,868.79
2018 Totals	\$ 46,087.06	-	\$ 15,813,551.56	\$ 15,859,638.62
2019 Totals	\$ 66,656.95	-	\$ 29,337,023.66	\$ 29,403,680.60
2020 Totals	\$ 32,005.39	-	\$ 14,545,039.37	\$ 14,577,044.76
2021 Totals	\$ -	-	\$ 12,680,402.58	\$ 12,680,402.58
2022 Totals	\$ -	\$ -	\$ 17,711,753.60	\$ 17,711,753.60
01/05/23 - Developer contribution - Funding Request #69	-	-	1,780,349.05	1,780,349.05
01/27/23 - Developer contribution - Funding Request #70	-	-	366,342.09	366,342.09
02/17/23 - Developer contribution - Funding Request #71	-	-	633,241.46	633,241.46
2023 Totals	\$ -	\$ -	\$ 2,779,932.60	\$ 2,779,932.60
Grand Totals	\$ 189,735.69	\$ -	\$ 99,422,585.87	\$ 99,612,321.55

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CANYONS METRO DISTRICT #7
Property Taxes Reconciliation
2023

	Current Year						Prior Year				
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
							Monthly	Y-T-D		Monthly	Y-T-D
January	\$ 14,451.84	\$ -	\$ 6,068.98	\$ -	\$ (216.78)	\$ 20,304.04	1.80%	1.80%	\$ 9,942.36	1.00%	1.00%
February						-	0.00%	1.80%	133,777.69	22.67%	23.67%
March						-	0.00%	1.80%	16,843.77	2.18%	25.85%
April						-	0.00%	1.80%	231,523.07	39.56%	65.41%
May						-	0.00%	1.80%	84,780.66	13.98%	79.39%
June						-	0.00%	1.80%	118,667.56	19.98%	99.37%
July						-	0.00%	1.80%	6,946.46	0.44%	99.81%
August						-	0.00%	1.80%	5,597.39	0.00%	99.81%
September						-	0.00%	1.80%	4,146.42	0.00%	99.81%
October						-	0.00%	1.80%	4,574.84	0.04%	99.86%
November						-	0.00%	1.80%	4,122.64	0.00%	99.86%
December (Accrued)						-	0.00%	1.80%	3,695.00	0.00%	99.86%
	\$ 14,451.84	\$ -	\$ 6,068.98	\$ -	\$ (216.78)	\$ 20,304.04	1.80%	1.80%	\$ 624,617.86	99.86%	99.86%

	Assessed Valuation	Mill Levy	Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
Property Tax						
General Fund	\$ 43,302,190.00	18.560	\$ 803,689.00	100.00%	\$ 14,451.84	1.80%
			<u>\$ 803,689.00</u>	<u>100.00%</u>	<u>\$ 14,451.84</u>	<u>1.80%</u>
Specific Ownership Tax						
General Fund			\$ 72,332.00	100.00%	\$ 6,068.98	8.39%
			<u>\$ 72,332.00</u>	<u>100.00%</u>	<u>\$ 6,068.98</u>	<u>8.39%</u>
Treasurer's Fees						
General Fund			\$ 12,055.00	100.00%	\$ 216.78	1.80%
			<u>\$ 12,055.00</u>	<u>100.00%</u>	<u>\$ 216.78</u>	<u>1.80%</u>

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