

THE CANYONS METROPOLITAN DISTRICT NO. 7
2025 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.

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
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

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.

Levy Adjustment

Pursuant to the Consolidated Service Plan, as amended, the maximum mill levy for general obligation debt and operations and maintenance is 69.000 mills. Pursuant to the Master Reimbursement Agreement, the District is currently allotted 5.000 operating mills. 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. As a result of changes in calculating assessed valuation, the District's levy has been adjusted to 5.791 mills.

The calculation of the taxes levied is displayed on the property tax page of the Budget.

For property tax collection year 2024, SB24-233 and HB24B-1001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate		Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	\$30,000
			Oil & Gas Production	87.50%			

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

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 8% of the property taxes collected.

**THE CANYONS METROPOLITAN DISTRICT NO. 7
2025 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 3%.

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 Expenditures

Administrative expenditures have been budgeted in the District's General fund 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.

Operating Expenditures

Operating Expenditures have been budgeted in the District's Special fund to include landscape maintenance, fence maintenance, and other costs associated with the upkeep of District owned improvements.

Capital Outlay

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 took over constructing public infrastructure within the District.

Debt and Leases

As of December 31, 2024, the District has no outstanding debt, nor any operating or capital leases.

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 Metropolitan District No. 7
2025 Budget - Summary
For the Years Ended and Ending December 31,

		2024	2025
<i>Modified Accrual Basis</i>	2023 Actual	2024 Budget Estimated	Budget
Beginning Fund Balances	(302,317)	1,074,443	1,084,487
Operating and Debt Service Revenues			
Property Tax Revenue	803,689	439,633	439,633
Operations & Maintenance Fees	337,185	358,200	365,000
Other Revenues	1,294,779	345,087	861,006
Total Operating and Debt Service Revenues	2,435,653	1,142,920	1,665,639
Expenditures			
General Fund	227,810	313,000	558,000
Special Revenue Fund	469,837	229,000	650,000
Capital Projects Fund	352,627	150,000	122,500
Total Expenditures	1,050,274	692,000	1,330,500
Transfers In (Out)			
General Fund	(180,456)	-	(42,000)
Special Revenue Fund	130,456	-	-
Capital Projects Fund	-	-	12,000
Capital Repair Fund	50,000	-	30,000
Total Other Sources (Uses) of Funds	-	-	-
Ending Fund Balances	1,083,062	1,525,363	1,419,626
Emergency Reserve	28,000	16,100	17,500

Reserve calculated as 3% of General Fund Expenditures excluding Debt Service

The Canyons Metropolitan District No. 7
2025 Budget Property Tax Summary Information
For the Years Ended and Ending December 31,

<i>Modified Accrual Basis</i>	Assessed Value 2023	Assessed Value 2024	Assessed Value 2025
Property Type			
Agricultural	5,700	5,800	4,260
Commercial	556,350	484,080	378,120
Natural Resources	2,250	2,170	2,170
Residential	27,342,740	54,496,130	65,126,870
State Assessed	124,000	606,600	612,500
Vacant Land	15,271,150	16,934,070	15,374,590
Certified Assessed Value	43,302,190	72,528,850	81,498,510
Mill Levy			
General	18.560	6.064	5.791
Debt Service	0	0	0
Total Mill Levy	18.56	6.064	5.791
Property Taxes Levied			
General	803,689	439,815	471,958
Debt Service	-	-	-
Total Taxes Levied	803,689	439,815	471,958

2025 Levy Adjustment Verification*	Actual Value 2025
Non-Residential	58,739,867
2016 Assessment Rate	29.00%
Assessed Value at 2016 Assessment Rate	17,034,561
Residential	972,038,803
2016 Assessment Rate	7.96%
Assessed Value at 2016 Assessment Rate	77,374,289
Total Assessed Value at 2016 Assessment Rates	94,408,850
2016 Unadjusted Mill Levy	5.000
Total Taxes Levied	472,044

**Information provided to show revenues are neither enhanced nor diminished as a result of levy adjustments resulting from changes in assessment rates. Small differences may exist due to rounding.*

5.5% Revenue Growth Limit Test*	2025
Certified Assessed Value	81,498,510
Less: assessed value of new construction	(9,029,920)
Adjusted Assessed Value	72,468,590
Total Mill Levy	5.791
Total taxes levied excluding new construction	419,666
Previous year's tax revenue	439,815
Increase (decrease) tax revenue	(20,149)
Percent increase (decrease) tax revenue	-4.58%

**Reduction in taxes due to correction of mill levy adjustment calculations.*

The Canyons Metropolitan District No. 7
2025 Budget - General Fund
For the Years Ended and Ending December 31,

			2024 Estimated Actual and Amended Budget	2025 Proposed Budget
<i>Modified Accrual Basis</i>	2023 Actual	2024 Approved Budget		
Beginning Fund Balances	\$ 595,601	\$ 1,118,863	\$ 1,120,381	\$ 1,102,050
Revenues				
Property Taxes	803,689	439,633	439,633	471,958
Specific Ownership Taxes	74,530	39,567	33,000	37,757
SB Backfill	-	-	39,536	-
Interest Income	54,396	55,000	68,000	33,062
Other Revenues	431	-	1,500	-
Total Revenues	933,046	534,200	581,669	542,777
Total Funds Available	1,528,647	1,653,063	1,702,050	1,644,827
Expenditures				
General and Administrative				
District Management	76,400	176,760	155,000	160,000
Accounting	68,325	60,750	20,000	18,000
Audit	5,200	5,700	5,700	7,500
Legal Services	43,885	35,000	75,000	45,000
Election	4,563	-	-	10,000
Engineering	-	-	-	15,000
Insurance	7,227	7,550	7,996	7,996
County Treasurer's Fee	12,062	6,594	7,161	7,079
Dues and Memberships	445	750	541	600
Office	-	9,000	10,100	10,000
Website	600	600	3,000	10,000
Reserve Study	-	5,000	-	-
Developer Repayment	-	-	255,000	-
Contingency	9,103	5,296	18,502	7,500
Total Expenditures	227,810	313,000	558,000	298,675
Transfers Out				
Transfer to Special Fund	130,456	-	-	-
Transfer to Capital Projects Fund	-	-	12,000	-
Transfer to Capital Repair Fund	50,000	-	30,000	50,000
Total Transfers	180,456	-	42,000	50,000
Total Expenditures and Transfers Requiring Appropriation	408,266	313,000	600,000	348,675
Excess Revenues (Expenditures)	524,780	221,200	(18,331)	194,102
Ending Fund Balance	\$ 1,120,381	\$ 1,340,063	\$ 1,102,050	\$ 1,296,152
Emergency Reserve	\$ 28,000	\$ 16,100	\$ 17,500	\$ 16,300
Total Reserve	\$ 28,000	\$ 16,100	\$ 17,500	\$ 16,300

The Canyons Metropolitan District No. 7
2025 Budget - Special Fund
For the Years Ended and Ending December 31,

			2024	
			Estimated	
	2023	2024	Actual and	2025
<i>Modified Accrual Basis</i>	Actual	Approved	Amended	Proposed
		Budget	Budget	Budget
Beginning Fund Balances	\$ -	\$ -	\$ 7,551	\$ 224,151
Revenues				
Operations & Maintenance Fees	337,185	358,200	365,000	432,000
Penalties and Fees	8,985	5,500	45,000	-
Interest Income	762	150	1,600	6,725
Town Reimbursement	-	-	455,000	-
Developer Advance	-	-	-	-
Total Revenues	346,932	363,850	866,600	438,725
Transfers In	130,456	-	-	-
Total Funds Available	477,388	363,850	874,151	662,876
Expenditures				
Grounds Maintenance				
Landscaping	250,139	57,500	305,000	90,000
Landscape Projects	-	-	2,500	7,500
Repairs and Maintenance	22,115	12,500	10,000	40,000
Trails	-	6,250	6,250	10,000
Snow Removal	29,740	60,000	30,000	30,000
Sprinkler System Repair	13,387	12,500	12,500	7,500
Bridge Maintenance	1,044	6,250	-	-
Bridge Cover	-	250	-	-
Fence Maintenance	-	20,000	45,000	65,000
Retaining Walls	-	-	-	75,000
Parks - Playground Equipment	-	1,250	1,250	1,250
Holiday Lighting	4,500	15,000	15,000	15,000
Electricity	921	375	4,200	500
Water	147,991	26,250	205,000	40,000
Contingency	-	10,875	13,300	15,000
Total Expenditures	469,837	229,000	650,000	396,750
Total Expenditures				
Requiring Appropriation	469,837	229,000	650,000	-
Excess Revenues (Expenditures)	7,551	134,850	216,600	41,975
Ending Fund Balance	\$ 7,551	\$ 134,850	\$ 224,151	\$ 266,126
Emergency Reserve	\$ 10,500	\$ 11,000	\$ 26,000	\$ 13,200
Total Reserve	\$ 10,500	\$ 11,000	\$ 26,000	\$ 13,200

The Canyons Metropolitan District No. 7
2025 Budget - Capital Projects Fund
For the Years Ended and Ending December 31,

<i>Modified Accrual Basis</i>	2023 Actual	2024 Approved Budget	2024 Amended Budget	2024 Estimated Actual	2025 Proposed Budget
Beginning Fund Balances	\$ (897,918)	\$ -	\$ (94,870)	\$ (94,870)	\$ -
Revenues					
Developer Contribution	866,268	60,000	154,870	127,370	-
Reimbursed Expenditures	289,337	-	90,000	90,000	-
Transfer in From General Fund	-	-	-	12,000	-
Interest Income	70	-	-	-	-
Total Revenues	1,155,675	60,000	244,870	229,370	-
Total Funds Available	257,757	60,000	150,000	134,500	-
Expenditures					
General and Administrative					
Accounting	25,501	5,000	5,000	-	-
Legal	11,671	5,000	5,000	-	-
Capital Projects					
Superblock Infrastructure	252,091	-	-	-	-
Filing 1 2nd Amendment	-	-	-	-	-
Filing 1 3rd Amendment	-	-	-	-	-
Filing 1 1st Amendment	-	-	-	-	-
Filing 1 6th Amendment	-	-	-	-	-
Filing 2	-	-	-	-	-
Superblock Phase 2 Infrastructure	63,364	50,000	50,000	-	-
Filing 2 1st Amendment LDA	-	-	-	-	-
Landscape & Parks	-	-	-	30,000	-
Newlin Gulch Vegetation	-	-	90,000	90,000	-
Engineering	-	-	-	2,500	-
Total Expenditures	352,627	60,000	150,000	122,500	-
Total Expenditures Requiring Appropriation	352,627	60,000	150,000	122,500	-
Excess Revenues (Expenditures)	803,048	-	94,870	106,870	-
Ending Fund Balance	\$ (94,870)	\$ -	\$ -	\$ 12,000	\$ -

The Canyons Metropolitan District No. 7
2025 Budget - Capital Repair Fund
For the Years Ended and Ending December 31,

	2023	2024	2024	2025
<i>Modified Accrual Basis</i>	Actual	Approved Budget	Estimated Actual	Proposed Budget
Beginning Fund Balances	\$ -	\$ 50,450	\$ 51,425	\$ 84,262
Revenues				
Interest Income	1,425	2,500	2,837	3,370
Other Revenues	-	-	-	-
Total Revenues	1,425	2,500	2,837	3,370
Transfers In	50,000	-	30,000	50,000
Total Funds Available	51,425	52,950	84,262	137,632
Expenditures				
Repairs and Maintenance				
Repairs and Maintenance	-	-	-	50,000
Contingency	-	-	-	-
Total Expenditures	-	-	-	50,000
Total Expenditures Requiring Appropriation	-	-	-	50,000
Excess Revenues (Expenditures)	51,425	2,500	32,837	3,370
Ending Fund Balance	\$ 51,425	\$ 52,950	\$ 84,262	\$ 87,632