

THE CANYONS METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022

**THE CANYONS METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/12/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ (10,225)	\$ (2,656)	\$ 9,111
REVENUES			
Interest income	35	-	-
Developer advance	52,517	50,500	43,140
Public improvement fees	-	243,100	161,250
Transfers from District #2	32,978	28,439	28,061
Transfers from District #4	-	1,874	1,838
Total revenues	85,530	323,913	234,289
Total funds available	75,305	321,257	243,400
EXPENDITURES			
General and administrative			
Accounting	16,418	17,000	18,700
Dues and membership	1,502	1,402	1,550
Insurance and bonds	10,780	10,444	12,000
Legal	47,344	40,000	44,000
Miscellaneous	-	200	1,000
Election expense	1,917	-	2,500
Transfers to District #3 - PIF	-	243,100	161,250
Contingency	-	-	1,500
Total expenditures	77,961	312,146	242,500
Total expenditures and transfers out requiring appropriation	77,961	312,146	242,500
ENDING FUND BALANCE	\$ (2,656)	\$ 9,111	\$ 900
EMERGENCY RESERVE	\$ -	\$ 1,000	\$ 900
TOTAL RESERVE	\$ -	\$ 1,000	\$ 900

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/12/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION			
Agricultural	\$ 250	\$ 270	\$ 280
Certified Assessed Value	\$ 250	\$ 270	\$ 280
MILL LEVY			
General	0.000	0.000	0.000
Total mill levy	0.000	0.000	0.000
PROPERTY TAXES			
General	\$ -	\$ -	\$ -
Budgeted property taxes	\$ -	\$ -	\$ -
BUDGETED PROPERTY TAXES			
General	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 1
2022 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 District Nos. 2 – 4 and 8 - 11.

The District was formed by District Court Order on December 19, 2001, and held its organizational meeting on March 14, 2002. The relationship between the Service District and Financing Districts, including the means for approving, financing, constructing and operating the public services and improvements needed to serve the development, will be established by means of a Master Intergovernmental Agreement between the applicable Districts as the project evolves.

On November 6, 2001, District voters approved authorization to increase property taxes up to \$5,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District. Debt authorization was approved in the amount of \$151,000,000 for the above listed facilities and an equal amount for refunding debt. The voters also authorized debt of \$5,000,000 for the costs of operating and maintaining the District's systems and \$10,000,000 for the issuance of mortgages, liens and other encumbrances on District real and personal property. 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 \$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 \$2,260,000,000 for the above listed facilities and \$226,000,000 for refunding debt. The voters authorized debt of \$226,000,000 for the costs of operating and maintaining the District's systems and \$50,000,000 for the issuance of mortgages, liens and other encumbrances on District real and personal property. The voters also authorized \$226,000,000 in debt for both Intergovernmental Agreements and Private Agreements. 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 Amended and Restated Service Plan, the maximum mill levy for general obligation debt and operations and maintenance is 69.000 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. The adjustment only applies to the debt service portion of the mill levy.

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. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Developer Advances

The District is in the development stage. As such, the operating and administrative expenditures are to be 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 others from bond proceeds and other available revenue.

Intergovernmental Revenue

The intergovernmental revenues are transfers from District No. 2 and District No.4 to provide funding for the overall administrative and operating costs for District Nos. 1 – 4 and 8 - 11.

Public Improvement Fees (PIF)

The Master Developer has imposed a Public Improvement Fee (“PIF”) through the Declaration of Covenants Imposing and Implementing The Canyonside at Castle Pines Public Improvements Fee (“PIF Covenant”). 100% of the PIF is collected by the District and pledged to the payment of the 2021 Bonds issued by Canyons Metropolitan District No. 3. The PIF is due prior to obtaining a building permit.

The PIF Covenant imposes a Credit PIF on Credit PIF Construction Activities and a Credit PIF on Credit PIF Retail Sales of 1.375% in lieu of a portion of the City’s Sales Tax. The Credit PIF on Credit PIF Construction Activities expires in 2034 and Credit PIF on Credit PIF Retail Sales expires in 2044. The District’s Credit PIF on Credit PIF Construction Activities expires on residential units after 500 units are constructed in the District and the Excluded Property and has no expiration on the commercial development in the District and the Excluded Property.

Additionally, the PIF Covenant imposes a 3% Add-on PIF imposed on Add-On PIF Retail Sales transactions in the Excluded Property. The Add-On PIF is not in lieu of any portion of the City’s sales tax and is therefore in addition to sales taxes.

Expenditures

Administrative and Operating Expenses

Operating expenditures include the estimated services necessary to maintain all eight Districts’ administrative viability such as legal, accounting, insurance and other administrative expenses.

Transfers to District No. 3

The District collects Public Improvement Fees which is transferred over to District No. 3 as Pledged Revenue towards the 2021 Bonds issued by District No. 3.

**THE CANYONS METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

The District has no outstanding operating or capital leases.

The following is an analysis of the District's long-term obligations through the year ended December 31, 2022:

	Balance at December 31, 2020	Additions	Repayments	Balance at December 31, 2021	Additions*	Repayments*	Balance at December 31, 2022*
Developer Advances	\$ 296,951	\$ 50,500	\$ -	\$ 347,451	\$ 43,140	\$ -	\$ 390,591
	296,951	50,500	-	347,451	43,140	-	390,591
Accrued interest - Developer Advances	94,911	25,977	-	120,888	29,536	-	150,424
	94,911	25,977	-	120,888	29,536	-	150,424
	<u>\$ 391,862</u>	<u>\$ 76,477</u>	<u>\$ -</u>	<u>\$ 468,339</u>	<u>\$ 72,676</u>	<u>\$ -</u>	<u>\$ 541,015</u>
* Estimate							

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.