

**Prairie Center Metropolitan District No. 7**

**Annual Budget**

**For Year Ending December 31, 2021**

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
SUMMARY  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/13/2021

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ (1,485,741)	\$ (128,094)	\$ 7,432,781
REVENUES			
Property taxes	377	195,944	224,477
Specific ownership taxes	23	14,000	15,713
Interest income	-	2,500	15,000
Other revenue	-	2,249	-
Working capital fees	1,400	19,030	63,000
Operations fees	604	19,780	24,000
Developer advances	1,782,508	68,237	1,199,151
Bond issuance	-	12,225,000	-
Facilities fees	132,000	288,000	357,000
Drainage impact fees	128,240	380,140	545,020
Neighborhood park impact fees	-	198,900	202,300
Rebated City fees	74,328	675,676	804,054
Credit public improvement fees	65,181	149,956	182,070
Add-On public improvement fees	65,181	149,956	182,070
Credit public improvement fees - PRI	16,295	35,000	91,000
Total revenues	<u>2,266,137</u>	<u>14,424,368</u>	<u>3,904,855</u>
TRANSFERS IN	<u>-</u>	<u>997,780</u>	<u>-</u>
Total funds available	<u>780,396</u>	<u>15,294,054</u>	<u>11,337,636</u>
EXPENDITURES			
General Fund	87,237	250,000	240,000
Debt Service Fund	5	585,109	1,000,000
Capital Projects Fund	821,248	6,028,384	7,000,000
Total expenditures	<u>908,490</u>	<u>6,863,493</u>	<u>8,240,000</u>
TRANSFERS OUT	<u>-</u>	<u>997,780</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>908,490</u>	<u>7,861,273</u>	<u>8,240,000</u>
ENDING FUND BALANCES	<u>\$ (128,094)</u>	<u>\$ 7,432,781</u>	<u>\$ 3,097,636</u>
EMERGENCY RESERVE	\$ 100	\$ 7,600	\$ 3,900
DEBT SERVICE RESERVE	-	812,672	812,672
PRI RESERVE	17,073	52,073	143,073
TOTAL RESERVE	<u>\$ 17,173</u>	<u>\$ 872,345</u>	<u>\$ 959,645</u>

No assurance provided. See summary of significant assumptions.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
PROPERTY TAX SUMMARY INFORMATION  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/13/2021

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
<b>ASSESSED VALUATION</b>			
Residential	\$ -	\$ -	\$ 785,350
State assessed	-	-	54,940
Vacant land	6,820	2,933,470	2,504,560
Personal property	-	-	15,780
Certified Assessed Value	<u>\$ 6,820</u>	<u>\$ 2,933,470</u>	<u>\$ 3,360,630</u>
<b>MILL LEVY</b>			
General	11.055	66.796	11.132
Debt Service	44.222	0.000	55.664
Total mill levy	<u>55.277</u>	<u>66.796</u>	<u>66.796</u>
<b>PROPERTY TAXES</b>			
General	\$ 75	\$ 195,944	\$ 37,411
Debt Service	302	-	187,066
Levied property taxes	<u>377</u>	<u>195,944</u>	<u>224,477</u>
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	<u>\$ 377</u>	<u>\$ 195,944</u>	<u>\$ 224,477</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	\$ 75	\$ 195,944	\$ 37,411
Debt Service	302	-	187,066
	<u>\$ 377</u>	<u>\$ 195,944</u>	<u>\$ 224,477</u>

No assurance provided. See summary of significant assumptions.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
GENERAL FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/13/2021

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ (3,735)	\$ (25,254)	\$ 43,986
<b>REVENUES</b>			
Property taxes	75	195,944	37,411
Specific ownership taxes	5	14,000	2,618
Developer advances	63,634	68,237	72,885
Working capital fees	1,400	19,030	63,000
Operations fees	604	19,780	24,000
Other revenue	-	2,249	-
Total revenues	65,718	319,240	199,914
Total funds available	61,983	293,986	243,900
<b>EXPENDITURES</b>			
General and administrative			
Accounting	20,410	40,000	35,000
Accounting - non recurring	-	10,000	5,000
Billing and collection	1,295	10,000	12,000
Audit	1,540	3,850	4,500
County Treasurer's fees	1	2,939	561
Dues and membership	314	461	500
Insurance	11,076	12,067	13,000
District management	13,100	16,000	18,000
Legal services	6,746	15,000	20,000
Miscellaneous/Contingency	16,073	19,903	25,539
Election expense	-	1,780	-
Operations and maintenance			
Repairs and maintenance - District Tracts	-	1,500	2,400
Landscape maintenance - District Tracts	16,682	20,000	21,000
Landscape maintenance - Park	-	6,000	12,000
Electric - District Tracts	-	500	500
Community management	-	15,000	20,000
Snow removal	-	5,000	10,000
Irrigation water - District Tracts	-	70,000	40,000
Total expenditures	87,237	250,000	240,000
Total expenditures and transfers out requiring appropriation	87,237	250,000	240,000
ENDING FUND BALANCES	\$ (25,254)	\$ 43,986	\$ 3,900
EMERGENCY RESERVE	\$ 100	\$ 7,600	\$ 3,900
TOTAL RESERVE	\$ 100	\$ 7,600	\$ 3,900

No assurance provided. See summary of significant assumptions.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**  
**DEBT SERVICE FUND**  
**2021 BUDGET**  
**WITH 2019 ACTUAL AND 2020 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/13/2021

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ -	\$ 315	\$ 1,472,988
<b>REVENUES</b>			
Property taxes	302	-	187,066
Specific ownership taxes	18	-	13,095
Credit public improvement fees	-	74,804	182,070
Interest income	-	500	5,000
Facilities fees	-	144,000	357,000
Add-On public improvement fees	-	74,804	182,070
Rebated City fees	-	513,514	804,054
Drainage impact fees	-	187,780	545,020
Neighborhood Park impact fees	-	64,600	202,300
Total revenues	320	1,060,002	2,477,675
<b>TRANSFERS IN</b>			
Transfers from other funds	-	997,780	-
Total funds available	320	2,058,097	3,950,663
<b>EXPENDITURES</b>			
General and administrative			
County Treasurer's fees	5	-	2,806
Miscellaneous/Contingency	-	-	3,413
Paying agent fees	-	-	6,000
Debt Service			
Bond interest	-	185,109	487,781
Bond principal	-	400,000	500,000
Total expenditures	5	585,109	1,000,000
Total expenditures and transfers out requiring appropriation	5	585,109	1,000,000
ENDING FUND BALANCES	\$ 315	\$ 1,472,988	\$ 2,950,663
DEBT SERVICE RESERVE	\$ -	\$ 812,672	\$ 812,672
TOTAL RESERVE	\$ -	\$ 812,672	\$ 812,672

No assurance provided. See summary of significant assumptions.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**  
**CAPITAL PROJECTS FUND**  
**2021 BUDGET**  
**WITH 2019 ACTUAL AND 2020 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/13/2021

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ (1,482,006)	\$ (103,155)	\$ 5,915,807
<b>REVENUES</b>			
Credit public improvement fees	65,181	75,152	-
Drainage impact fees	128,240	192,360	-
Rebated City Fees	74,328	162,162	-
Neighborhood Park impact fees	-	134,300	-
Facilities fees	132,000	144,000	-
Add-On public improvement fees	65,181	75,152	-
Credit public improvement fees - PRI	16,295	35,000	91,000
Interest income	-	2,000	10,000
Bond issuance	-	12,225,000	-
Developer advances	1,718,874	-	1,126,266
Total revenues	<u>2,200,099</u>	<u>13,045,126</u>	<u>1,227,266</u>
Total funds available	<u>718,093</u>	<u>12,941,971</u>	<u>7,143,073</u>
<b>EXPENDITURES</b>			
<b>PPI</b>			
Village 1 - Phase 2	-	200,000	-
Village 1 - Phase 1	499,198	20,000	-
Village 1 - Phase 3	-	150,000	1,350,000
<b>DPI</b>			
Accounting	17,920	15,000	20,000
Audit	2,310	-	-
District management	7,603	5,000	10,000
Legal	5,096	5,000	10,000
Project management fee	40,888	100,000	165,000
Project management fee interest	18,665	20,000	30,000
Village 1 - Phase 2	-	1,800,000	-
Village 1 - Phase 1	229,568	80,000	-
Village 1 - Phase 3	-	300,000	2,700,000
<b>General</b>			
Bond issue costs	-	844,179	-
Miscellaneous/Contingency	-	-	115,000
Repay developer advance	-	2,489,205	2,600,000
Total expenditures	<u>821,248</u>	<u>6,028,384</u>	<u>7,000,000</u>
<b>TRANSFERS OUT</b>			
Transfers to other fund	<u>-</u>	<u>997,780</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>821,248</u>	<u>7,026,164</u>	<u>7,000,000</u>
ENDING FUND BALANCES	<u>\$ (103,155)</u>	<u>\$ 5,915,807</u>	<u>\$ 143,073</u>
PRI RESERVE	<u>\$ 17,073</u>	<u>\$ 52,073</u>	<u>\$ 143,073</u>
TOTAL RESERVE	<u>\$ 17,073</u>	<u>\$ 52,073</u>	<u>\$ 143,073</u>

No assurance provided. See summary of significant assumptions.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Prairie Center Metropolitan District No. 7 (District), a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Adams County, Colorado. The District was formed by order and decree of the District Court for Adams County on May 22, 2006. The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including streets, transportation, traffic and safety controls, park and recreation facilities, water, sewer, television relay and translator and mosquito and pest control services.

Concurrently with the formation of the District, the City approved service plans for Prairie Center Metropolitan District Nos. 3, 4, 5, 6, 8, 9 and 10.

During elections held on May 2, 2006, a majority of the District's electors authorized general obligation indebtedness of \$6,790,000,000, for the above listed facilities, intergovernmental agreements and debt refunding. Additionally, on May 2, 2006, 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 Service Plans for District Nos. 2 – 10 limit the aggregate amount of debt that they may issue together with any debt issued by District No. 1 to \$750,000,000.

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**

**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, sale 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 Summary page of the budget using the adopted mill levy imposed by the District.

The change in assessment ratio from 7.2% to 7.15% allows the District to adjust its mill levy to offset the decrease in revenues. Accordingly, the District adjusted its mill levy to 11.132 for operations and 55.664 for debt service.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues – (continued)**

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within 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 7% of the property taxes collected.

**Interest Income**

Investment earned on the District's available funds has been estimated based on historical interest earnings.

**Developer Advances**

A portion of operations, maintenance, and capital costs of the District is expected to be funded by the Developer

**Operations and Capital Fees**

The District established an operations fee of \$360 per year on each residential lot along with a one-time capital fee of \$200 upon closing to cover the costs of operations and maintaining the District improvements.

**Facilities Fees, Credit PIF, Add-On PIF, Drainage Impact Fees, Rebated City Fees, and Neighborhood Park Impact Fees**

The District entered into an Intergovernmental Agreement Regarding Assignment of Revenues (the IGA) with Prairie Center Metro District No. 3 (District No. 3). Per the IGA, District No. 3 agrees to transfer to the District its rights to receive revenues as set forth in the IGA that are directly attributable to Village I. District No. 3 is relieved from providing any public improvements or management services related to Village I as it is being developed by the District, separately from the remaining development.

These assigned revenues include:

- *Facilities Fees* – being assessed for the use of the District's improvements. The facilities fee is \$3,000 per single-family, detached dwelling unit, due on or before the date of issuance of a building permit by the City of Brighton.
- *Credit and Add-On PIF* – being assessed on use tax transactions and collected at the time of building permit issuance. The Credit PIF is calculated as 1.25% of 50% of the project valuation. The Add-On PIF is calculated as 1.00% of 50% of the project valuation.
- *Drainage Impact Fees* – the City of Brighton shall reimburse the District, on a quarterly basis from building permits issued, for the design, financing and construction of the stormwater improvements.



**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues – (continued)**

**Facilities Fees, Credit PIF, Add-On PIF, Drainage Impact Fees, Rebated City Fees, and Neighborhood Park Impact Fees – (continued)**

- *Rebated City Fees* – the City of Brighton shall remit a per-lot rebated fee to the District, on a quarterly basis from certificates of occupancy issued, in the amount of \$6,756.75 per single-family residential lot for a total reimbursement not to exceed \$2,500,000 at the completion of the Village 1 Subdivision.
- *Neighborhood Park Impact Fees* - the City of Brighton has agreed to remit the Neighborhood Park Impact Fees to the District as reimbursement for the costs of construction of certain Neighborhood Park Improvements in the amount of \$1,700 per residential unit.

**Expenditures**

**General and Administrative**

General and administrative expenditures include the estimated costs of services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and other administrative expenses.

**Operations and Maintenance**

Operations and maintenance expenditures include estimated expenditures for improvements within the District related to repairs and maintenance, landscaping maintenance, park maintenance, utility costs and snow removal.

**Treasurer's Fees**

County Treasurer's fees have been computed at 1.5% of property tax collections.

**Debt Service**

Payments on Series 2020 Bonds are based on the amount of funds available. Therefore, a scheduled amortization has not been included in the budget.

**Capital Outlay**

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

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

The District issued Series 2020 Limited Tax General Obligation Bonds on August 12, 2020, in the par amount of \$12,225,000. Proceeds from the sale of the Bonds will be used to finance a portion of the costs of constructing certain public infrastructure to serve the Development and certain other property within Prairie Center and repay advances made by the Developer to the District to construct such public infrastructure. A portion of the proceeds of the Bonds will also be used to fund: (a) the Reserve Fund, (b) capitalized interest on the Bonds; and (c) costs of issuing the Bonds. The Bonds will be issued as two term bonds. The first term bond bears interest at 4.125% and matures on December 15, 2036. The second term bond bears interest at 4.875% and matures on December 15, 2044. Interest on the Bonds is payable semi-annually on June 15 and December 15 (“Interest Payment Dates”), beginning on December 15, 2020, to the extent of available Pledged Revenue.

The Bonds are structured as “cash flow” bonds, meaning that no regularly scheduled payments of principal are due on the term Bonds prior to their respective maturity dates. Instead, principal is payable on each June 15 and December 15 from available Pledged Revenue, if any, pursuant to a mandatory redemption, after paying interest due on such Interest Payment Date and after funding in full interest coming due on the next Interest Payment Date (the “Subsequent Interest Payment Date”), less any amounts on deposit in such account, including any deposits from capitalized interest. To the extent principal of any Bond is not paid when due, such principal shall remain outstanding until paid. To the extent interest on any Bond is not paid when due, such interest shall compound semiannually on each Interest Payment Date, at the rate then borne by the Bond.

The Bonds are secured by and payable solely from Pledged Revenue, which includes property taxes derived from the Required Mill Levy net of the cost of collection, Specific Ownership Taxes attributable to the Required Mill Levy, Pledged PIF Revenues, PILOT revenues (if any), and any other legally available moneys of the District which the District deposits with the Trustee for application as Pledged Revenue. The forecast does not include Pledged PIF or PILOT revenues. The Bonds are also secured by amounts held in the Reserve Fund in the amount \$812,672.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases – (Continued)**

The following is analysis of anticipated changes in the District's long-term obligations for the years ending December 31, 2020 and 2021.

					Anticipated
		Balance -			Balance -
		December 31,			December 31,
		2019	Additions	Retirements	2020
<b>Limited Obligation</b>					
Bonds, Series 2020	\$	-	\$ 12,225,000	\$ 400,000	\$ 11,825,000
<b>Developer Advances:</b>					
Operating		123,362	68,237	-	191,599
Capital		6,532,367	-	1,448,907	5,083,460
<b>Accrued Interest</b>					
Operating		10,644	12,331	-	22,975
Capital		671,880	431,091	1,040,298	62,673
Bond Issue Discount		-	305,625	-	(305,625)
<b>Total</b>	<b>\$</b>	<b>7,338,253</b>	<b>\$ 13,042,284</b>	<b>\$ 2,889,205</b>	<b>\$ 16,880,082</b>
		Anticipated			Anticipated
		Balance -			Balance -
		December 31,			December 31,
		2020	Additions	Retirements	2021
<b>Limited Obligation</b>					
Bonds, Series 2020	\$	11,825,000	\$ -	\$ 500,000	\$ 11,325,000
<b>Developer Advances:</b>					
Operating		191,599	72,885	-	264,484
Capital		5,083,460	1,126,266	2,300,000	3,909,726
<b>Accrued Interest</b>					
Operating		22,975	15,899	-	38,874
Capital		62,673	237,327	300,000	-
Bond Issue Discount		(305,625)	-	12,734	(292,891)
<b>Total</b>	<b>\$</b>	<b>16,880,082</b>	<b>\$ 1,452,377</b>	<b>\$ 3,112,734</b>	<b>\$ 15,245,193</b>

The District has no outstanding operating or capital leases.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserve Funds**

**Emergency Reserve**

The District has provided for an Emergency Reserve equal to at least 3% of fiscal year spending for 2021, as defined under TABOR.

**Debt Service Reserve**

The Series 2020 Bonds are also secured by funds to be held by the Trustee in the Reserve Funds, in the required amount of \$812,672.

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