

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

**PRAIRE CENTER METROPOLITAN DISTRICT NO. 7
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/25/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 6,129,094	\$ 4,157,348	\$ 2,035,704
REVENUES			
Property taxes	373,636	524,152	935,615
Specific ownership taxes	26,415	36,376	65,494
Operations and maintenance fee	67,140	153,000	233,000
Interest income	101,009	210,010	150,000
Developer advance	6,894,348	2,541,797	1,418,668
Facilities fees	204,000	196,000	114,000
Other revenue	11,631	7,000	10,000
Developer advance - Project Management Fee	-	81,000	5,000
Credit public improvement fees	134,632	155,600	76,000
Add-On public improvement fees	134,632	155,600	76,000
Credit public improvement fees - PRI	33,658	34,650	19,000
Drainage impact fees	384,720	329,760	256,480
Rebated City fees	513,514	412,166	405,420
Neighborhood park impact fees	157,286	126,144	110,376
Administrative costs transfer fee	15,800	10,600	30,000
Total revenues	<u>9,052,421</u>	<u>4,973,855</u>	<u>3,905,053</u>
Total funds available	<u>15,181,515</u>	<u>9,131,203</u>	<u>5,940,757</u>
EXPENDITURES			
General and administrative	148,680	143,802	247,000
Operations and maintenance	271,163	223,750	313,000
Debt service	1,967,172	1,700,606	2,100,000
Capital projects	8,637,152	5,027,341	2,280,000
Total expenditures	<u>11,024,167</u>	<u>7,095,499</u>	<u>4,940,000</u>
Total expenditures and transfers out requiring appropriation	<u>11,024,167</u>	<u>7,095,499</u>	<u>4,940,000</u>
ENDING FUND BALANCES	<u>\$ 4,157,348</u>	<u>\$ 2,035,704</u>	<u>\$ 1,000,757</u>
EMERGENCY RESERVE	\$ 4,900	\$ 8,000	\$ 13,200
SERIES 2020 - REQUIRED DEBT SERVICE	812,672	812,672	812,672
TOTAL RESERVE	<u>\$ 817,572</u>	<u>\$ 820,672</u>	<u>\$ 825,872</u>

No assurance provided. See summary of significant assumptions.

**PRAIRE CENTER METROPOLITAN DISTRICT NO. 7
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/25/24

ACTUAL	ESTIMATED	BUDGET
2022	2023	2024

ASSESSED VALUATION

Residential - Single Family	\$ 3,504,610	\$ 5,620,200	\$ 9,720,250
State assessed	2,980	3,290	3,870
Vacant land	1,967,620	2,175,020	2,585,770
Personal property	105,460	120,760	203,020
Certified Assessed Value	\$ 5,580,670	\$ 7,919,270	\$ 12,512,910

MILL LEVY

General	11.132	11.031	12.462
Debt Service	55.664	55.156	62.310
Total mill levy	66.796	66.187	74.772

PROPERTY TAXES

General	\$ 62,124	\$ 87,357	\$ 155,936
Debt Service	310,642	436,795	779,679
Levied property taxes	372,766	524,152	935,615
Adjustments to actual/rounding	870	-	-
Budgeted property taxes	\$ 373,636	\$ 524,152	\$ 935,615

BUDGETED PROPERTY TAXES

General	\$ 62,269	\$ 87,357	\$ 155,936
Debt Service	311,367	436,795	779,679
	\$ 373,636	\$ 524,152	\$ 935,615

No assurance provided. See summary of significant assumptions.

PRAIRE CENTER METROPOLITAN DISTRICT NO. 7
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/25/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ (34,512)	\$ (18,624)	\$ 8,000
REVENUES			
Property taxes	62,269	87,357	155,936
Specific ownership taxes	4,402	5,800	10,916
Operations and maintenance fee	67,140	153,000	233,000
Interest income	25	10	-
Developer advance	261,800	115,857	25,348
Administrative costs transfer fee	15,800	10,600	30,000
Other revenue	11,631	7,000	10,000
Total revenues	423,067	379,624	465,200
Total funds available	388,555	361,000	473,200
EXPENDITURES			
General and administrative			
Accounting	41,653	41,000	45,000
Auditing	4,300	4,900	6,000
County Treasurer's fee	933	1,310	2,339
Directors' fees	1,500	1,200	1,600
Dues and membership	581	1,238	1,500
Insurance	9,330	10,781	12,000
District management	22,446	20,000	30,000
Legal	31,829	30,000	33,000
Miscellaneous	13,754	16,975	15,561
Election	9,690	1,846	-
Operations and maintenance			
Repairs and maintenance - District tracts	1,171	1,500	2,500
Repairs and maintenance - Park	9,975	-	-
Landscaping - District tracts	41,516	45,000	70,000
Landscape maintenance - Park	23,236	-	-
Tree care program	25,575	10,000	15,000
Electricity - District tracts	1,081	1,750	2,000
Community management	22,095	33,000	35,000
Billing	26,313	24,000	24,000
Snow removal	24,289	22,000	30,000
Underdrain system maintenance	1,635	10,000	5,000
Irrigation water - District tracts	93,173	75,000	95,000
Site lighting	-	-	2,500
Pet station services	1,104	1,500	2,000
Contingency/Reserve	-	-	30,000
Total expenditures	407,179	353,000	460,000
Total expenditures and transfers out requiring appropriation	407,179	353,000	460,000
ENDING FUND BALANCES	\$ (18,624)	\$ 8,000	\$ 13,200
EMERGENCY RESERVE	\$ 4,900	\$ 8,000	\$ 13,200
TOTAL RESERVE	\$ 4,900	\$ 8,000	\$ 13,200

No assurance provided. See summary of significant assumptions.

PRAIRE CENTER METROPOLITAN DISTRICT NO. 7
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/25/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 1,151,856	\$ 1,067,541	\$ 1,265,024
REVENUES			
Property taxes	311,367	436,795	779,679
Specific ownership taxes	22,013	30,576	54,578
Credit public improvement fees	134,632	155,600	76,000
Add-On public improvement fees	134,632	155,600	76,000
Interest income	33,357	70,000	50,000
Drainage impact fees	384,720	329,760	256,480
Facilities fees	204,000	196,000	114,000
Rebated City fees	513,514	412,166	405,420
Neighborhood park impact fees	157,286	126,144	110,376
Total revenues	<u>1,895,521</u>	<u>1,912,641</u>	<u>1,922,533</u>
Total funds available	<u>3,047,377</u>	<u>2,980,182</u>	<u>3,187,557</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	4,664	6,552	11,695
Paying agent fees	8,000	8,000	8,000
Contingency	-	-	80,305
Debt Service			
Bond interest	472,172	410,606	400,000
Bond principal	1,495,000	1,290,000	1,700,000
Total expenditures	<u>1,979,836</u>	<u>1,715,158</u>	<u>2,200,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,979,836</u>	<u>1,715,158</u>	<u>2,200,000</u>
ENDING FUND BALANCES	<u>\$ 1,067,541</u>	<u>\$ 1,265,024</u>	<u>\$ 987,557</u>
SERIES 2020 - REQUIRED DEBT SERVICE	<u>\$ 812,672</u>	<u>\$ 812,672</u>	<u>\$ 812,672</u>
TOTAL RESERVE	<u>\$ 812,672</u>	<u>\$ 812,672</u>	<u>\$ 812,672</u>

No assurance provided. See summary of significant assumptions.

**PRAIRE CENTER METROPOLITAN DISTRICT NO. 7
CAPITAL PROJECTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/25/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 5,011,750	\$ 3,108,431	\$ 762,680
REVENUES			
Interest income	67,627	140,000	100,000
Developer advance	6,632,548	2,425,940	1,393,320
Developer advance - Project Management Fee	-	81,000	5,000
Credit public improvement fees - PRI	33,658	34,650	19,000
Total revenues	6,733,833	2,681,590	1,517,320
Total funds available	11,745,583	5,790,021	2,280,000
EXPENDITURES			
Capital projects			
Accounting	28,064	27,000	30,000
District management	14,964	16,000	-
Legal	20,852	20,000	-
Project management fee	220,411	81,000	5,000
Project management fee interest	40,776	-	-
Engineering	7,716	18,000	10,000
Contingency	-	-	135,000
Repay Developer advance	2,856,400	2,844,050	2,000,000
PPI			
Village 1 - Phase 3	119,759	15,006	-
Village 1 - Phase 4	3,462,138	1,431,465	85,000
DPI			
Village 1 - Phase 2	23,108	-	-
Village 1 - Phase 3	37,250	44,000	-
Village 1 - Phase 4	1,805,714	530,820	15,000
Total expenditures	8,637,152	5,027,341	2,280,000
Total expenditures and transfers out requiring appropriation	8,637,152	5,027,341	2,280,000
ENDING FUND BALANCES	\$ 3,108,431	\$ 762,680	\$ -

No assurance provided. See summary of significant assumptions.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Prairie Center Metropolitan District No. 7 (District) is a quasi-municipal corporation located in the City of Brighton, Adams County, Colorado and is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was organized on June 6, 2006, concurrently with Prairie Center Metropolitan District Nos 3-6 and 8-10, pursuant to an order and decree of the Adams County District Court. The Service Plan for the District was approved by the City of Brighton on February 21, 2006, modified on November 13, 2006, and amended and restated on November 4, 2008, and modified on April 14, 2013.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including streets, transportation, drainage improvements, traffic and safety controls, park and recreation facilities, water, sewer, television relay and translation and mosquito and pest control services. The District is authorized to operate and maintain any improvements not otherwise conveyed to the City or other entities.

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.

Pursuant to the Service Plans of District Nos. 2–10, the maximum aggregate principal of debt that may be incurred by all of such Districts, together with District No. 1, collectively, is \$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. Section 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.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

Property Taxes (Continued)

For property tax collection year 2024, SB22-238 and SB23B-001 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 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 Administrative Costs Transfer Fees

The District established an operations fee on each residential lot along with a one-time administrative costs transfer fee upon closing to cover the costs of operations and maintaining the District improvements. In 2024, the District increases the operations fee to \$750 per year and the administrative costs transfer fee to \$500 per closing.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
2023 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

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.
- *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 \$1,971 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.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (Continued)

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.

Series 2021 Subordinate Bonds are also structured as cash flow bonds. A debt amortization schedule has not been provided as payments are made when funds are available.

Capital Outlay

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

Debt and Leases

Limited Tax General Obligation Bonds, Series 2020

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
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (Continued)

Subordinate Limited Tax General Obligation Bonds, Series 2021

The District issued Subordinate Limited Tax General Obligation Bonds (the Subordinate Bonds) on November 30, 2021, in the par amount of \$3,990,000. Proceeds from the sale of the Subordinate Bonds were used to repay advances made by the Developer to the District to construct such public infrastructure to serve the development and certain other property within Prairie Center, and to pay costs of issuing the Subordinate Bonds.

The Subordinate Bonds bear interest at the rate of 6.375% per annum and are payable annually on December 15, beginning December 15, 2022, but only to the extent of available Subordinate Pledged Revenue. The Subordinate Bonds are structured as “cash flow” bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date of June 15, 2046. Principal on the Subordinate Bonds is payable on each December 15 from, and to the extent of, Subordinate Pledged Revenue available 45 days prior to such December 15.

Accrued unpaid interest on the Subordinate Bonds compounds annually on each December 15 until sufficient Subordinate Pledged Revenue is available for payment or until discharged. In the event that any amount of principal or interest on the Subordinate Bonds remains unpaid after application of all Subordinate Pledged Revenue available therefor on December 15, 2056, the Subordinate Bonds will be deemed discharged. No payments are permitted to be made on the Subordinate Bonds until the 2020 Senior Bonds and any other Senior Obligations issued by the District have been paid in full or defeased.

The Subordinate Bonds are secured by and payable from moneys derived by the District from the following sources: (a) all Subordinate Property Tax Revenues; (b) all Subordinate Specific Ownership Tax Revenues; and (c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
2023 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 year ending December 31, 2023 and 2024:

	Balance - December 31, 2022	Additions	Retirements	Anticipated Balance - December 31, 2023
Bonds Payable				
Series 2020 - Senior	\$ 9,245,000	\$ -	\$ 1,290,000	\$ 7,955,000
Series 2021 - Subordinate	3,990,000	-	-	3,990,000
Accrued Interest on Bonds				
Series 2021 - Subordinate	264,961	271,254	-	536,215
Developer Advances:				
Operating	571,599	115,857	-	687,456
Capital	13,002,326	2,425,940	1,594,050	13,834,216
Accrued Interest				
Operating	72,881	63,000	-	135,881
Capital	37,511	1,250,000	1,250,000	37,511
Funding Fee Payable	67,837	136,000	-	203,837
Total	<u>\$ 27,252,115</u>	<u>\$ 4,262,051</u>	<u>\$ 4,134,050</u>	<u>\$ 27,380,116</u>
	Anticipated Balance - December 31, 2023	Additions	Retirements	Anticipated Balance - December 31, 2024
Bonds Payable				
Series 2020 - Senior	\$ 7,955,000	\$ -	\$ 1,700,000	\$ 6,255,000
Series 2021 - Subordinate	3,990,000	-	-	3,990,000
Accrued Interest on Bonds				
Series 2021 - Subordinate	536,215	288,546	-	824,761
Developer Advances:				
Operating	687,456	25,348	-	712,804
Capital	13,834,216	1,393,320	750,000	14,477,536
Accrued Interest				
Operating	135,881	77,000	-	212,881
Capital	37,511	1,250,000	1,250,000	37,511
Funding Fee Payable	203,837	145,000	-	348,837
Total	<u>\$ 27,380,116</u>	<u>\$ 3,179,214</u>	<u>\$ 3,700,000</u>	<u>\$ 26,859,330</u>

The District has no outstanding operating or capital leases.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
2023 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 2024, 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.