

SKY RANCH METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

**SKY RANCH METROPOLITAN DISTRICT NO. 1
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	867,856	961,997	1,401,433
Specific ownership taxes	55,526	64,300	84,086
Other revenue	-	-	15,000
Interest income	-	78	-
Total revenues	<u>923,382</u>	<u>1,026,375</u>	<u>1,500,519</u>
Total funds available	<u>923,382</u>	<u>1,026,375</u>	<u>1,500,519</u>
EXPENDITURES			
General Fund	153,887	171,046	252,580
Debt Service Fund	769,495	855,329	1,247,939
Total expenditures	<u>923,382</u>	<u>1,026,375</u>	<u>1,500,519</u>
Total expenditures and transfers out requiring appropriation	<u>923,382</u>	<u>1,026,375</u>	<u>1,500,519</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SKY RANCH METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/23/24

ACTUAL	ESTIMATED	BUDGET
2022	2023	2024

ASSESSED VALUATION

Residential	\$ 9,114,781	\$ 12,873,736	\$ 17,365,368
Commercial	-	79,829	-
State assessed	-	3,540	4,050
Vacant land	3,791,587	849,899	29,435
Personal property	72,754	355,420	449,707
Certified Assessed Value	\$ 12,979,122	\$ 14,162,424	\$ 17,848,560

MILL LEVY

General	11.132	11.321	13.086
Debt Service	55.664	56.605	65.432
Total mill levy	66.796	67.926	78.518

PROPERTY TAXES

General	\$ 144,484	\$ 160,333	\$ 233,566
Debt Service	722,470	801,664	1,167,867
Levied property taxes	866,954	961,997	1,401,433
Adjustments to actual/rounding	902	-	-
Budgeted property taxes	\$ 867,856	\$ 961,997	\$ 1,401,433

BUDGETED PROPERTY TAXES

General	\$ 144,633	\$ 160,333	\$ 233,566
Debt Service	723,223	801,664	1,167,867
	\$ 867,856	\$ 961,997	\$ 1,401,433

**SKY RANCH METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	144,633	160,333	233,566
Specific ownership taxes	9,254	10,700	14,014
Interest income	-	13	-
Other revenue	-	-	5,000
Total revenues	<u>153,887</u>	<u>171,046</u>	<u>252,580</u>
Total funds available	<u>153,887</u>	<u>171,046</u>	<u>252,580</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	2,168	2,405	3,503
Contingency	91	-	5,000
Transfers to CAB	151,628	168,641	244,077
Total expenditures	<u>153,887</u>	<u>171,046</u>	<u>252,580</u>
Total expenditures and transfers out requiring appropriation	<u>153,887</u>	<u>171,046</u>	<u>252,580</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**SKY RANCH METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	723,223	801,664	1,167,867
Specific ownership taxes	46,272	53,600	70,072
Interest income	-	65	-
Other revenue	-	-	10,000
Total revenues	769,495	855,329	1,247,939
Total funds available	769,495	855,329	1,247,939
EXPENDITURES			
General and administrative			
County Treasurer's fee	10,842	12,025	17,518
Contingency	454	-	10,000
Transfers to CAB	758,199	843,304	1,220,421
Total expenditures	769,495	855,329	1,247,939
Total expenditures and transfers out requiring appropriation	769,495	855,329	1,247,939
ENDING FUND BALANCES	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

SKY RANCH METROPOLITAN DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

Sky Ranch Metropolitan District No. 1 (the District), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the Arapahoe County (County) District Court issued on February 23, 2005 and recorded in the County records on March 15, 2005, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within Arapahoe County, Colorado.

The District was established to provide for the design, acquisition, construction, financing, installation, and maintenance of public improvements and services, including streets, park and recreation, water, sanitary sewer, public transportation, mosquito control, traffic and safety controls, and television relay and translation. Under its Modified Service Plan, approved by the County on September 14, 2005, the District was organized in conjunction with three other related Districts: Sky Ranch Metropolitan District Nos. 3 through 5. The District entered into a Community Authority Board Establishment Agreement with District No. 5 on November 3, 2017 and an Amended and Restated Sky Ranch Community Authority Establishment agreement on September 18, 2018 (effective November 13, 2017). The District entered into Second Amended and Restated Sky Ranch Community Authority Board Establishment Agreement (the CABEA) with District Nos. 3 and 5 on August 13, 2021 which establishes the Sky Ranch Community Authority Board (the CAB). The CAB will own, operate and maintain certain public improvements within the boundaries of the Districts.

The Service Plans for District No.1 limit the amount of debt that the District may issue together with any debt issued by the CAB to \$162,000,000. On November 1, 2019, the District entered into a Capital Pledge Agreement with the CAB and committed to impose a mill levy annually that does not exceed the Service Plan limits for a debt mill levy, to repay Bonds to be issued by the CAB in a principal amount that does not exceed \$162,000,000 (the Pledged Revenue). The Pledged Revenue may be used by the CAB to repay bonds the CAB has issued or will issue, including without limitation, the CAB's \$11,435,000 Limited Tax Supported District No. 1 Senior Bonds (Tax-Exempt Fixed Rate), Series 2019A and its \$1,760,000 Limited Tax Supported District No. 1 Subordinate Bonds (Tax-Exempt Fixed Rate), Series 2019B, and future bond issuances by the CAB.

The District currently 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.

**SKY RANCH METROPOLITAN DISTRICT NO. 1
2024 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, sale of the tax liens on delinquent properties are held in November. The County Treasurer remits the taxes collected monthly to the District.

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 2024, the assessment rate for single family residential property decreases to 6.765% from 6.95%. The rate for multifamily residential property, the newly created subclass, decreases to 6.765% from 6.80%. Agricultural and renewable energy production property remains at 26.4%. Producing oil and gas remains at 87.5%. All other nonresidential property decreases to 27.90% from 29%.

Pursuant to the Service Plan, the maximum total mill levy the District is permitted to impose is 50.000 mills (subject to adjustment for changes in the method of calculating the assessed valuation after September 14, 2004) for debt service until the District’s then outstanding debt is equal to or less than 50% of the District’s assessed valuation, at that time the debt service mill levy will be unlimited. The maximum mill levy pledged to debt service fund is 50.000 mills. As a result of the assessment ratio change, for collection year 2024, the 50.000 have been adjusted to 65.432 mills for debt service. The service plan does not contain any limitations on the amount of the mill levy for operations and maintenance, and the District levied 13.086 for collection year 2024 for operations.

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.

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%			

**SKY RANCH METROPOLITAN DISTRICT NO. 1
2024 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 6% of the property taxes collected by both the General Fund and Debt Service Fund.

Expenditures

Transfers to CAB

In connection with the CABEA, the District will transfer property taxes, net of fees, derived from the operations mill levy, together with specific ownership taxes, to the CAB to pay for operations and maintenance expenditures. The District will also transfer property taxes, net of fees, derived from the debt service mill levy, together with specific ownership taxes, to the CAB to pay for the principal and interest on bonds which CAB has issued in November 2019.

County Treasurer's Fees

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

Debt and Leases

The District has no outstanding debt, nor any operating or capital leases.

Reserves

Emergency Reserve

The District did not provide for Emergency Reserves (equal to at least 3% of the General Fund's fiscal year spending as defined under TABOR) because net tax revenues will be transferred to the CAB. The CAB will provide for the emergency reserve.

This information is an integral part of the accompanying budget.