

LANTERNS METROPOLITAN DISTRICT NO. 3

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2023

**LANTERNS METROPOLITAN DISTRICT NO. 3
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

8/28/23

	ACTUAL 2021	ACTUAL 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Interest income	-	-	60,000
Developer advance	-	-	13,550,770
Other revenue	-	-	5,000
Bond Proceeds - Series 2023A-1	-	-	6,000,000
Bond Proceeds - Series 2023A-2	-	-	7,567,918
Bond Proceeds - Series 2023B(2)	-	-	3,093,000
Total revenues	-	-	30,276,688
TRANSFERS IN	-	-	2,526,000
Total funds available	-	-	32,802,688
EXPENDITURES			
General Fund	-	-	54,000
Debt Service Fund	-	-	43,833
Capital Projects Fund	-	-	27,685,688
Total expenditures	-	-	27,783,521
TRANSFERS OUT	-	-	2,526,000
Total expenditures and transfers out requiring appropriation	-	-	30,309,521
ENDING FUND BALANCES	\$ -	\$ -	\$ 2,493,167
EMERGENCY RESERVE	\$ -	\$ -	\$ 200
TOTAL RESERVE	\$ -	\$ -	\$ 1,000

**LANTERNS METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

8/28/23

ACTUAL 2021	ACTUAL 2022	BUDGET 2023
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ASSESSED VALUATION

Agricultural	\$ 1,680	\$ 1,140	\$ 700
Vacant land	-	2,099,530	2,198,920
Certified Assessed Value	\$ -	\$ 2,100,670	\$ 2,199,620

MILL LEVY

General	0.000	0.000	0.000
Debt Service	0.000	0.000	0.000
Total mill levy	0.000	0.000	0.000

PROPERTY TAXES

Budgeted property taxes	\$ -	\$ -	\$ -
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BUDGETED PROPERTY TAXES

\$ -	\$ -	\$ -	-
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**LANTERNS METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

8/28/23

	ACTUAL 2021	ACTUAL 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Developer advance	-	-	50,000
Other revenue	-	-	5,000
Total revenues	<u>-</u>	<u>-</u>	<u>55,000</u>
Total funds available	<u>-</u>	<u>-</u>	<u>55,000</u>
EXPENDITURES			
Accounting	-	-	20,000
Dues and licenses	-	-	2,000
Insurance and bonds	-	-	7,000
Legal services	-	-	20,000
Contingency	-	-	5,000
Total expenditures	<u>-</u>	<u>-</u>	<u>54,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>54,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000</u>
EMERGENCY RESERVE	\$ -	\$ -	\$ 200
TOTAL RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000</u>

**LANTERNS METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

8/28/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Interest income	-	-	10,000
Total revenues	-	-	10,000
TRANSFERS IN			
Transfers from other fund	-	-	2,526,000
Total funds available	-	-	2,536,000
EXPENDITURES			
Bond interest	-	-	36,833
Paying agent fees	-	-	7,000
Total expenditures	-	-	43,833
Total expenditures and transfers out requiring appropriation	-	-	43,833
ENDING FUND BALANCES	\$ -	\$ -	\$ 2,492,167

**LANERNS METROPOLITAN DISTRICT NO. 3
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

8/28/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Bond Proceeds - Series 2023A-1	-	-	6,000,000
Bond Proceeds - Series 2023A-2	-	-	7,567,918
Bond Proceeds - Series 2023B(2)	-	-	3,093,000
Developer advance	-	-	13,500,770
Interest income	-	-	50,000
Total revenues	<u>-</u>	<u>-</u>	<u>30,211,688</u>
Total funds available	<u>-</u>	<u>-</u>	<u>30,211,688</u>
EXPENDITURES			
Accounting	-	-	5,000
Bond issue costs	-	-	664,148
Capital Outlay	-	-	13,500,770
Engineering	-	-	10,000
Legal services	-	-	5,000
Repay developer advance	-	-	13,500,770
Total expenditures	<u>-</u>	<u>-</u>	<u>27,685,688</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>-</u>	<u>2,526,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>30,211,688</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**LANERNS METROPOLITAN DISTRICT NO. 3
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Lanterns Metropolitan District No. 3 , a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the Town of Castle Rock in February 2004, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the Town Council of the Town of Castle Rock, and as modified on September 16, 2014. The District's service area is located in the Town of Castle Rock, in Douglas County.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation and mosquito control improvements and services.

The Service Plans for Districts Nos. 1-3 limits the aggregate amount of debt that they may issue together to \$87,000,000.

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.

Revenues

Developer Advances

The District is in the development stage. As such, a significant portion of the operating and administrative expenditures are to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

Interest Income

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

Expenditures

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, insurance, and other administrative expenditures.

**LANERNS METROPOLITAN DISTRICT NO. 3
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (Continued)

Capital Outlay

Anticipated expenditures for capital outlay are reflected in the Capital Projects fund page of the budget.

Debt Service

The District anticipates issuing bonds in 2023.

Debt and Leases

The District anticipates issuing bonds in 2023.

The District has no operating or capital leases

The following is a summary of the District's long-term obligations:

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023
Series 2023A-1 General Obligation Bonds	\$ -	\$ 6,000,000	\$ -	\$ 6,000,000
Series 2023A-2 Convertible Capital Appreciation Bonds	-	7,567,918	-	7,567,918
Series 2023B(2) Cashflow Bonds	-	3,093,000	-	3,093,000
Developer Advance - O&M	-	50,000	-	50,000
Developer Advance - Capital	-	13,500,770	13,500,770	-
Total	<u>\$ -</u>	<u>\$ 30,211,688</u>	<u>\$ 13,500,770</u>	<u>\$ 16,710,918</u>

Reserve Funds

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for 2023 as defined under TABOR.

This information is an integral part of the accompanying budget.