

**LANTERNS METROPOLITAN DISTRICT NO. 1**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2024**

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

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 2,322,233	\$ 2,072,876	\$ 2,335,827
REVENUES			
Property taxes	667,204	1,117,608	1,956,256
Specific ownership taxes	61,047	100,585	176,063
Interest income	29,048	110,000	110,000
Developer advance	5,030	5,259,488	-
Total revenues	<u>762,329</u>	<u>6,587,681</u>	<u>2,242,319</u>
TRANSFERS IN	<u>-</u>	<u>20,282</u>	<u>-</u>
Total funds available	<u>3,084,562</u>	<u>8,680,839</u>	<u>4,578,146</u>
EXPENDITURES			
General Fund	56,650	84,168	102,500
Debt Service Fund	955,036	960,792	1,075,000
Capital Projects Fund	-	5,279,770	-
Total expenditures	<u>1,011,686</u>	<u>6,324,730</u>	<u>1,223,606</u>
TRANSFERS OUT	<u>-</u>	<u>20,282</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>1,011,686</u>	<u>6,345,012</u>	<u>1,223,606</u>
ENDING FUND BALANCES	<u>\$ 2,072,876</u>	<u>\$ 2,335,827</u>	<u>\$ 3,354,540</u>
EMERGENCY RESERVE	\$ 3,300	\$ 5,700	\$ 9,800
AVAILABLE FOR OPERATIONS	76,093	158,865	376,667
DEBT SERVICE RESERVE FUND	1,479,000	1,479,000	1,479,000
CAPITALIZED INTEREST/FEEES FUND	514,483	692,262	1,535,179
TOTAL RESERVE	<u>\$ 2,072,876</u>	<u>\$ 2,335,827</u>	<u>\$ 3,400,646</u>

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

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
<b>ASSESSED VALUATION</b>			
Residential	\$ 798,310	\$ 6,829,830	\$ 16,853,460
Commercial	222,020	708,740	943,770
Agricultural	170	-	-
Natural resources	310	310	300
Vacant land	7,974,110	6,979,870	5,247,610
Personal property	194,620	217,060	367,370
Certified Assessed Value	<u>\$ 9,189,540</u>	<u>\$ 14,735,810</u>	<u>\$ 23,412,510</u>
<b>MILL LEVY</b>			
General	11.077	11.183	12.320
Debt Service	64.044	64.660	71.236
Total mill levy	<u>75.121</u>	<u>75.843</u>	<u>83.556</u>
<b>PROPERTY TAXES</b>			
General	\$ 101,793	\$ 164,791	\$ 288,442
Debt Service	588,535	952,817	1,667,814
Levied property taxes	690,328	1,117,608	1,956,256
Adjustments to actual/rounding	1	-	-
Refunds and abatements	(23,125)	-	-
Budgeted property taxes	<u>\$ 667,204</u>	<u>\$ 1,117,608</u>	<u>\$ 1,956,256</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	<b>\$ 98,383</b>	<b>\$ 164,791</b>	<b>\$ 288,442</b>
Debt Service	<b>568,821</b>	<b>952,817</b>	<b>1,667,814</b>
	<u><b>\$ 667,204</b></u>	<u><b>\$ 1,117,608</b></u>	<u><b>\$ 1,956,256</b></u>

No assurance provided. See summary of significant assumptions.

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

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 22,154	\$ 79,393	\$ 164,565
REVENUES			
Property taxes	98,383	164,791	288,442
Specific ownership taxes	9,002	14,831	25,960
Interest income	1,474	10,000	10,000
Developer advance	5,030	-	-
Total revenues	<u>113,889</u>	<u>189,622</u>	<u>324,402</u>
Total funds available	<u>136,043</u>	<u>269,015</u>	<u>488,967</u>
EXPENDITURES			
General and administrative			
Accounting	23,164	33,000	37,000
Auditing	5,400	5,900	6,500
County Treasurer's fee	1,476	2,472	4,327
Election	4,192	4,225	-
Insurance	3,112	2,571	4,000
Legal	18,706	35,000	45,000
Miscellaneous	600	1,000	500
Contingency	-	-	5,173
Total expenditures	<u>56,650</u>	<u>84,168</u>	<u>102,500</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>20,282</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>56,650</u>	<u>104,450</u>	<u>102,500</u>
ENDING FUND BALANCES	<u>\$ 79,393</u>	<u>\$ 164,565</u>	<u>\$ 386,467</u>
EMERGENCY RESERVE	\$ 3,300	\$ 5,700	\$ 9,800
AVAILABLE FOR OPERATIONS	76,093	158,865	376,667
TOTAL RESERVE	<u>\$ 79,393</u>	<u>\$ 164,565</u>	<u>\$ 386,467</u>

No assurance provided. See summary of significant assumptions.

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

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 2,300,079	\$ 1,993,483	\$ 2,171,262
<b>REVENUES</b>			
Property taxes	568,821	952,817	1,667,814
Specific ownership taxes	52,045	85,754	150,103
Interest income	27,574	100,000	100,000
Total revenues	648,440	1,138,571	1,917,917
Total funds available	2,948,519	3,132,054	4,089,179
<b>EXPENDITURES</b>			
General and administrative			
County Treasurer's fee	8,536	14,292	25,017
Paying agent fees	9,500	9,500	9,500
Bond interest	937,000	937,000	937,000
Bond principal	-	-	95,000
Contingency	-	-	8,483
Total expenditures	955,036	960,792	1,075,000
Total expenditures and transfers out requiring appropriation	955,036	960,792	1,075,000
ENDING FUND BALANCES	\$ 1,993,483	\$ 2,171,262	\$ 3,014,179
DEBT SERVICE RESERVE FUND	\$ 1,479,000	\$ 1,479,000	\$ 1,479,000
CAPITALIZED INTEREST/FEES FUND	514,483	692,262	1,535,179
TOTAL RESERVE	\$ 1,993,483	\$ 2,171,262	\$ 3,014,179

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

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Developer advance	-	5,259,488	-
Total revenues	-	5,259,488	-
TRANSFERS IN			
Transfers from other funds	-	20,282	-
Total funds available	-	5,279,770	-
EXPENDITURES			
General and Administrative			
Engineering	-	20,282	-
Capital outlay	-	5,259,488	-
Total expenditures	-	5,279,770	-
Total expenditures and transfers out requiring appropriation	-	5,279,770	-
ENDING FUND BALANCES	\$ -	\$ -	\$ -

**LANTERNS METROPOLITAN DISTRICT NO. 1  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Lanterns Metropolitan District No. 1, 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. District Nos. 1-3 are authorized to implement the Capital Plan and Financial Plan within their respective boundaries. District No. 4 and District No. 5 are being organized to provide operations and maintenance services to the Service Area and will function as overlay districts that will share boundaries with District Nos. 1-3.

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 Plan for District 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**

**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.

**LANTERNS METROPOLITAN DISTRICT NO. 1  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues – (continued)**

**Property Taxes**

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

<b>Category</b>	<b>Rate</b>		<b>Category</b>	<b>Rate</b>		<b>Actual Value Reduction</b>	<b>Amount</b>
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%			

**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 9.00% of the property taxes collected.

**Net Investment Income**

Investments earned on the District’s funds available have been estimated at historical interest rates earnings.

**Expenditures**

**General and Administrative Expenditures**

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.

**County Treasurer’s Fees**

County Treasurer’s fees have been computed at 1.50% of property tax collections.

**Capital Outlay**

The District does not anticipate any infrastructure improvements as noted in the Capital Projects fund.



**LANERNS METROPOLITAN DISTRICT NO. 1  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures – (continued)**

**Debt Service**

Principal and interest payments are provided based on the debt amortization schedule for the Series 2019A Limited Tax General Obligations Bonds. There is no schedule of debt amortization for the Series 2019B Subordinate Limited Tax General Obligation Bonds and the Series 2019C Junior Lien Limited Taxed General Obligations Bonds as they are structured as cash flow bonds as discussed aforementioned.

**Debt and Leases**

On July 31, 2019, the District issued Series 2019A Limited Tax General Obligation Bonds, Series 2019B Subordinate Limited Tax General Obligation Bonds, and Series 2019C Junior Lien Limited Tax General Obligation Bonds in the total amount of \$22,120,000.

Proceeds of the Senior Bonds will be used to: (i) fund and reimburse a portion of the costs of acquiring, constructing, and installing certain public improvements; (ii) pay capitalized interest on the Senior Bonds; (iii) fund the initial deposit to the Senior Surplus Fund; and (iv) pay other costs in connection with the issuance of the Bonds. Proceeds of the Subordinate Bonds will be used to fund and reimburse additional public improvements related to the Development and pay certain costs of issuance.

The Senior Bonds are two term bonds with respective maturities of December 1, 2039 and December 1, 2049. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2024. The Senior Bonds will bear interest at 5.00%, payable semiannually on June 1 and December 1 of each year, commencing December 1, 2019. The Bonds mature on December 1, 2049.

To the extent the principal of any Senior Bond is not paid when due, such principal shall remain outstanding until paid or discharged as described below. To the extent interest on any Senior Bond is not paid when due, such interest shall compound semiannually on each June 1 and December 1 at the rate borne by the Senior Bond. The District shall not be obligated to pay more than the amount permitted by law and the Election in repayment of the Senior Bonds. In the event any amount of principal of or interest on the Senior Bonds remains unpaid after the application of all available Senior Pledged Revenue on December 1, 2054, the Senior Bonds shall be deemed discharged and shall no longer be due and outstanding.

The Subordinate Bonds will bear interest at 7.75% and mature on December 15, 2049. The Subordinate Bonds constitute subordinate “cash flow” bonds, meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest payments not paid when due will accrue and compound until sufficient Subordinate Pledged Revenue is available for payment. Principal and interest payments are due on the Subordinate Bonds on each December 15 only to the extent of available Subordinate Pledged Revenue.

**LANTERNS METROPOLITAN DISTRICT NO. 1**  
**2023 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases – (continued)**

In the event that the Subordinate Pledged Revenue is insufficient to pay the Subordinate Bonds, the unpaid principal will continue to bear interest and the unpaid interest will compound annually on December 15 until the total repayment obligation of the District for the Subordinate Bonds equals the amount permitted by law and the Election. In the event that any amount of principal of or interest on the Subordinate Bonds remains unpaid after the application of all available Subordinate Pledged Revenue on December 15, 2054, the Subordinate Bonds shall be deemed discharged and shall no longer be due and outstanding.

The Junior Lien Bonds are assumed to bear interest at 10.00% and mature on December 15, 2049. The Junior Lien Bonds constitute junior lien “cash flow” bonds, meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest payments not paid when due will accrue and compound until sufficient Junior Lien Pledged Revenue is available for payment.

Principal and interest payments are due on the Junior Lien Bonds on each December 15 only to the extent of available Junior Lien Pledged Revenue. In the event that Junior Lien Pledged Revenue is insufficient to pay the Junior Lien Bonds, the unpaid principal will continue to bear interest and the unpaid interest will compound annually on December 15 until the total repayment obligation of the District for the Junior Lien Bonds equals the amount permitted by law and the Election in repayment of the Junior Lien Bonds.

In no event are any amounts to be paid on the Junior Lien Bonds until such time as there has been paid in full or defeased the Subordinate Bonds, and, to the extent required by the applicable Senior/Subordinate Obligation Indentures, any other Senior/Subordinate Obligations issued by the District. In the event that any amount or principal of or interest on the Junior Lien Bonds remains unpaid after the application of all available Junior Lien Pledged Revenue on December 15, 2054, the Junior Lien Bonds shall be deemed discharged and shall no longer be due and outstanding.

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

**LANTERNS METROPOLITAN DISTRICT NO. 1  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases – (continued)**

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

	Balance - December 31, 2022	Additions	Reductions	Balance - December 31, 2023
<b>Bonds Payable:</b>				
Limited Tax General Obligation Bonds:				
Subordinate - Series 2019B	\$ 2,051,000	\$ -	\$ -	\$ 2,051,000
Junior Lien - Series 2019C	1,329,000	-	-	1,329,000
Accrued Interest on:				
Series 2019B Bonds	596,573	204,673	-	801,246
Series 2019C Bonds	512,466	183,593	-	696,059
Subtotal of Bonds Payable	<u>4,489,039</u>	<u>388,266</u>	<u>-</u>	<u>4,877,305</u>
<b>Other Debts:</b>				
Developer Advances - Organization Costs - Toll Brothers	145,171	-	-	145,171
Developer Advances - O&M - Toll Brothers	274,648	-	-	274,648
Developer Advances - Capital - Toll Brothers	54,351	5,259,488	-	5,313,839
Developer Advances - O&M - Toll Brothers (Assigned)	92,368	-	-	92,368
Developer Advances - Capital - Toll Brothers (Assigned)	105,686	-	-	105,686
Developer Advances - Infrastructure - Toll Brothers	-	-	-	-
Accrued Interest on:				
Developer Advances - Organization Costs - Jefferson	122,076	-	-	122,076
Developer Advances - O&M - Toll Brothers	63,992	21,972	-	85,964
Developer Advances - Capital - Toll Brothers	14,748	259,109	-	273,857
Developer Advances - O&M - Jefferson	69,122	7,389	-	76,511
Developer Advances - Capital - Jefferson	82,756	8,454	-	91,210
Developer Advances - Infrastructure - Toll Brothers	12,462	-	-	12,462
Subtotal of Other Debts	<u>1,037,380</u>	<u>5,556,412</u>	<u>-</u>	<u>6,593,792</u>
Total Long-Term Obligation	<u>\$ 5,526,419</u>	<u>\$ 5,944,678</u>	<u>\$ -</u>	<u>\$ 11,471,097</u>
	Balance - December 31, 2023	Additions	Reductions	Balance - December 31, 2024
<b>Bonds Payable:</b>				
Limited Tax General Obligation Bonds:				
Subordinate - Series 2019B	\$ 2,051,000	\$ -	\$ -	\$ 2,051,000
Junior Lien - Series 2019C	1,329,000	-	-	1,329,000
Accrued Interest on:				
Series 2019B Bonds	801,246	220,536	-	1,021,782
Series 2019C Bonds	696,059	201,952	-	898,011
Subtotal of Bonds Payable	<u>4,877,305</u>	<u>422,488</u>	<u>-</u>	<u>5,299,793</u>
<b>Other Debts:</b>				
Developer Advances - Organization Costs - Toll Brothers	145,171	-	-	145,171
Developer Advances - O&M - Toll Brothers	274,648	-	-	274,648
Developer Advances - Capital - Toll Brothers	5,313,839	-	-	5,313,839
Developer Advances - O&M - Toll Brothers (Assigned)	92,368	-	-	92,368
Developer Advances - Capital - Toll Brothers (Assigned)	105,686	-	-	105,686
Developer Advances - Infrastructure - Toll Brothers	-	-	-	-
Accrued Interest on:				
Developer Advances - Organization Costs - Jefferson	122,076	-	-	122,076
Developer Advances - O&M - Toll Brothers	85,964	21,972	-	107,936
Developer Advances - Capital - Toll Brothers	273,857	425,108	-	698,965
Developer Advances - O&M - Jefferson	76,511	7,389	-	83,900
Developer Advances - Capital - Jefferson	91,210	8,455	-	99,665
Developer Advances - Infrastructure - Toll Brothers	12,462	-	-	12,462
Subtotal of Other Debts	<u>6,593,792</u>	<u>462,924</u>	<u>-</u>	<u>7,056,716</u>
Total Long-Term Obligation	<u>\$ 11,471,097</u>	<u>\$ 885,412</u>	<u>\$ -</u>	<u>\$ 12,356,509</u>

**LANTERNS METROPOLITAN DISTRICT NO. 1  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**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.

**Debt Service Reserve**

The District maintains a Debt Service Reserve of \$1,479,000 as required with the issuance of the Series 2019 Bonds.

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

**LANTERNS METROPOLITAN DISTRICT NO. 1**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

<b>Bonds and Interest Maturing in the Year Ending December 31,</b>	<b>\$18,740,000</b>		
	<b>Limited Tax General Obligation Bonds Series 2019A Dated July 31, 2019 Interest Rates: 5.000% Interest Payable June 1 and December 1 Principal Due December 1</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 95,000	\$ 937,000	\$ 1,032,000
2025	220,000	932,250	1,152,250
2026	270,000	921,250	1,191,250
2027	285,000	907,750	1,192,750
2028	320,000	893,500	1,213,500
2029	340,000	877,500	1,217,500
2030	380,000	860,500	1,240,500
2031	400,000	841,500	1,241,500
2032	445,000	821,500	1,266,500
2033	465,000	799,250	1,264,250
2034	515,000	776,000	1,291,000
2035	540,000	750,250	1,290,250
2036	590,000	723,250	1,313,250
2037	620,000	693,750	1,313,750
2038	680,000	662,750	1,342,750
2039	715,000	628,750	1,343,750
2040	775,000	593,000	1,368,000
2041	815,000	554,250	1,369,250
2042	880,000	513,500	1,393,500
2043	925,000	469,500	1,394,500
2044	1,000,000	423,250	1,423,250
2045	1,050,000	373,250	1,423,250
2046	1,130,000	320,750	1,450,750
2047	1,190,000	264,250	1,454,250
2048	1,275,000	204,750	1,479,750
2049	2,820,000	141,000	2,961,000
	<b>\$ 18,740,000</b>	<b>\$ 16,884,250</b>	<b>\$ 35,624,250</b>

No assurance provided. See summary of significant assumption.