

**EXHIBIT C**

2024 Budgets

**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<br>2022      | ESTIMATED<br>2023   | BUDGET<br>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<br>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<br>2022           | ESTIMATED<br>2023          | BUDGET<br>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<br>2022   | ESTIMATED<br>2023 | BUDGET<br>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<br>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<br>2022 | ESTIMATED<br>2023 | BUDGET<br>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<br>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   |

No assurance provided. See summary of significant assumptions.

**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<br>2022 | ESTIMATED<br>2023 | BUDGET<br>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<br>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 on February 3, 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 on August 21, 2018. 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**

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

## Debt and Leases – (continued)

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

|   | Balance -<br>December 31,<br>2022 | Additions           | Reductions  | Balance -<br>December 31,<br>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 -<br>December 31,<br>2023 | Additions           | Reductions  | Balance -<br>December 31,<br>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<br/>and Interest<br/>Maturing<br/>in the<br/>Year Ending<br/>December 31,</b> | <b>\$18,740,000</b>   |                      |                      |
|--|---|----------------------|----------------------|
|  | <b>Limited Tax General Obligation Bonds<br/>Series 2019A<br/>Dated July 31, 2019<br/>Interest Rates: 5.000%<br/>Interest Payable June 1 and December 1<br/>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> |

**LANTERNS METROPOLITAN DISTRICT NO. 2**

**ANNUAL BUDGET**

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

**LANTERNS METROPOLITAN DISTRICT NO. 2  
SUMMARY  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

|   | ACTUAL<br>2022      | ESTIMATED<br>2023 | BUDGET<br>2024   |
|---|---------------------|-------------------|------------------|
| BEGINNING FUND BALANCES   | \$ 13,323,216       | \$ 2,091,496      | \$ 27,098        |
| REVENUES  |                     |                   |                  |
| Property taxes  | 251,741             | 446,534           | 759,787          |
| Specific ownership taxes  | 22,262              | 40,188            | 68,381           |
| Interest income   | 83,476              | 15,748            | 1,500            |
| Developer advance   | 11,264,260          | 5,095,436         | -                |
| Other revenue   | -                   | -                 | 335              |
| Total revenues  | <u>11,621,739</u>   | <u>5,597,906</u>  | <u>830,003</u>   |
| TRANSFERS IN  | <u>-</u>            | <u>28,769</u>     | <u>-</u>         |
| Total funds available   | <u>24,944,955</u>   | <u>7,718,171</u>  | <u>857,101</u>   |
| EXPENDITURES  |                     |                   |                  |
| General Fund  | 45,137              | 56,201            | 75,000           |
| Debt Service Fund   | 233,219             | 413,173           | 709,000          |
| Capital Projects Fund   | 22,575,103          | 7,192,930         | -                |
| Total expenditures  | <u>22,853,459</u>   | <u>7,662,304</u>  | <u>784,000</u>   |
| TRANSFERS OUT   | <u>-</u>            | <u>28,769</u>     | <u>-</u>         |
| Total expenditures and transfers out<br>requiring appropriation | <u>22,853,459</u>   | <u>7,691,073</u>  | <u>784,000</u>   |
| ENDING FUND BALANCES  | <u>\$ 2,091,496</u> | <u>\$ 27,098</u>  | <u>\$ 73,101</u> |
| EMERGENCY RESERVE   | \$ 1,300            | \$ 2,200          | \$ 3,700         |
| AVAILABLE FOR OPERATIONS  | 24,389              | 11,328            | 57,443           |
| TOTAL RESERVE   | <u>\$ 25,689</u>    | <u>\$ 13,528</u>  | <u>\$ 61,143</u> |



**LANTERNS METROPOLITAN DISTRICT NO. 2**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

| ACTUAL | ESTIMATED | BUDGET |
|--------|-----------|--------|
| 2022   | 2023      | 2024   |

**ASSESSED VALUATION**

|                          |              |              |              |
|--------------------------|--------------|--------------|--------------|
| Residential              | \$ -         | \$ -         | \$ 759,920   |
| Commercial               | 430          | 430          | 830          |
| Agricultural             | 730          | -            | -            |
| Natural Resources        | -            | -            | 220          |
| Vacant land              | 3,349,970    | 5,985,270    | 8,804,570    |
| Personal property        | -            | -            | 62,500       |
| Certified Assessed Value | \$ 3,351,130 | \$ 5,985,700 | \$ 9,628,040 |

**MILL LEVY**

|                 |        |        |        |
|-----------------|--------|--------|--------|
| General         | 11.077 | 11.000 | 11.636 |
| Debt Service    | 64.044 | 63.600 | 67.278 |
| Total mill levy | 75.121 | 74.600 | 78.914 |

**PROPERTY TAXES**

|                                |            |            |            |
|--------------------------------|------------|------------|------------|
| General                        | \$ 37,120  | \$ 65,843  | \$ 112,032 |
| Debt Service                   | 214,620    | 380,690    | 647,755    |
| Levied property taxes          | 251,740    | 446,533    | 759,787    |
| Adjustments to actual/rounding | 1          | 1          | -          |
| Budgeted property taxes        | \$ 251,741 | \$ 446,534 | \$ 759,787 |

**BUDGETED PROPERTY TAXES**

|                     |                   |                   |                   |
|---------------------|-------------------|-------------------|-------------------|
| <b>General</b>      | <b>\$ 37,120</b>  | <b>\$ 65,843</b>  | <b>\$ 112,032</b> |
| <b>Debt Service</b> | <b>214,621</b>    | <b>380,691</b>    | <b>647,755</b>    |
|                     | <b>\$ 251,741</b> | <b>\$ 446,534</b> | <b>\$ 759,787</b> |

**LANTERNS METROPOLITAN DISTRICT NO. 2**  
**GENERAL FUND**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

|   | ACTUAL<br>2022   | ESTIMATED<br>2023 | BUDGET<br>2024   |
|---|------------------|-------------------|------------------|
| BEGINNING FUND BALANCES   | \$ 18,630        | \$ 25,689         | \$ 13,528        |
| REVENUES  |                  |                   |                  |
| Property taxes  | 37,120           | 65,843            | 112,032          |
| Specific ownership taxes  | 3,283            | 5,926             | 10,083           |
| Interest income   | 372              | 1,000             | 500              |
| Developer advance   | 11,421           | -                 | -                |
| Total revenues  | <u>52,196</u>    | <u>72,769</u>     | <u>122,615</u>   |
| Total funds available   | <u>70,826</u>    | <u>98,458</u>     | <u>136,143</u>   |
| EXPENDITURES  |                  |                   |                  |
| General and administrative                                      |                  |                   |                  |
| Accounting  | 21,627           | 25,000            | 30,000           |
| Auditing  | 5,400            | 6,000             | 7,000            |
| County Treasurer's fee  | 557              | 988               | 1,680            |
| Dues and membership   | 316              | 319               | 2,000            |
| Election  | 1,947            | 1,323             | -                |
| Insurance   | 2,533            | 2,571             | 7,000            |
| Legal   | 12,757           | 20,000            | 25,000           |
| Contingency   | -                | -                 | 2,320            |
| Total expenditures  | <u>45,137</u>    | <u>56,201</u>     | <u>75,000</u>    |
| TRANSFERS OUT   |                  |                   |                  |
| Transfers to other fund   | <u>-</u>         | <u>28,729</u>     | <u>-</u>         |
| Total expenditures and transfers out<br>requiring appropriation | <u>45,137</u>    | <u>84,930</u>     | <u>75,000</u>    |
| ENDING FUND BALANCES  | <u>\$ 25,689</u> | <u>\$ 13,528</u>  | <u>\$ 61,143</u> |
| EMERGENCY RESERVE   | \$ 1,300         | \$ 2,200          | \$ 3,700         |
| AVAILABLE FOR OPERATIONS  | 24,389           | 11,328            | 57,443           |
| TOTAL RESERVE   | <u>\$ 25,689</u> | <u>\$ 13,528</u>  | <u>\$ 61,143</u> |

No assurance provided. See summary of significant assumptions.

**LANTERNS METROPOLITAN DISTRICT NO. 2**  
**DEBT SERVICE FUND**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

|   | ACTUAL<br>2022 | ESTIMATED<br>2023 | BUDGET<br>2024 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES   | \$ -           | \$ 3,250          | \$ 13,570      |
| <b>REVENUES</b>   |                |                   |                |
| Property taxes  | 214,621        | 380,691           | 647,755        |
| Specific ownership taxes  | 18,979         | 34,262            | 58,298         |
| Interest income   | 2,869          | 8,500             | 1,000          |
| Other revenue   | -              | -                 | 335            |
| Total revenues  | 236,469        | 423,453           | 707,388        |
| <b>TRANSFERS IN</b>   |                |                   |                |
| Transfers from other funds                                      | -              | 40                | -              |
| Total funds available   | 236,469        | 426,743           | 720,958        |
| <b>EXPENDITURES</b>   |                |                   |                |
| General and administrative                                      |                |                   |                |
| County Treasurer's fee  | 3,219          | 5,710             | 9,716          |
| Paying agent fees   | 4,000          | 4,000             | 4,000          |
| Contingency   | -              | -                 | 3,449          |
| Debt Service  |                |                   |                |
| Bond interest   | 226,000        | 403,463           | 691,835        |
| Total expenditures  | 233,219        | 413,173           | 709,000        |
| Total expenditures and transfers out<br>requiring appropriation | 233,219        | 413,173           | 709,000        |
| ENDING FUND BALANCES  | \$ 3,250       | \$ 13,570         | \$ 11,958      |

**LANERNS METROPOLITAN DISTRICT NO. 2  
CAPITAL PROJECTS FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

|   | ACTUAL<br>2022      | ESTIMATED<br>2023 | BUDGET<br>2024 |
|---|---------------------|-------------------|----------------|
| BEGINNING FUND BALANCES   | \$ 13,304,586       | \$ 2,062,557      | \$ -           |
| REVENUES  |                     |                   |                |
| Interest income   | 80,235              | 6,248             | -              |
| Developer advance   | 11,252,839          | 5,095,436         | -              |
| Total revenues  | <u>11,333,074</u>   | <u>5,101,684</u>  | <u>-</u>       |
| TRANSFERS IN  |                     |                   |                |
| Transfers from other funds                                      | <u>-</u>            | <u>28,729</u>     | <u>-</u>       |
| Total funds available   | <u>24,637,660</u>   | <u>7,192,970</u>  | <u>-</u>       |
| EXPENDITURES  |                     |                   |                |
| General and Administrative                                      |                     |                   |                |
| Accounting  | 6,326               | 3,038             | -              |
| Legal   | 27                  | -                 | -              |
| Repay developer advance   | 11,252,839          | 2,072,852         | -              |
| Engineering   | 63,072              | 21,604            | -              |
| Capital outlay  | 11,252,839          | 5,095,436         | -              |
| Total expenditures  | <u>22,575,103</u>   | <u>7,192,930</u>  | <u>-</u>       |
| TRANSFERS OUT   |                     |                   |                |
| Transfers to other fund   | <u>-</u>            | <u>40</u>         | <u>-</u>       |
| Total expenditures and transfers out<br>requiring appropriation | <u>22,575,103</u>   | <u>7,192,970</u>  | <u>-</u>       |
| ENDING FUND BALANCES  | <u>\$ 2,062,557</u> | <u>\$ -</u>       | <u>\$ -</u>    |

No assurance provided. See summary of significant assumptions.

**LANTERNS METROPOLITAN DISTRICT NO. 2  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Lanterns Metropolitan District No. 2, 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 on August 21, 2018. 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.

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 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**

**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.

**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 sales 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

**LANERNS METROPOLITAN DISTRICT NO. 2  
2024 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:

| <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**

**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.

**County Treasurer’s Fees**

County Treasurer’s collection fees have been computed at 1.50% of property taxes.

**Capital Outlay**

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

**LANTERNS METROPOLITAN DISTRICT NO. 2  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures (Continued)**

**Debt Service**

There is no schedule of debt amortization for the Series 2021A(3) Limited Tax General Obligation Bonds as they are structured as cash flow bonds as discussed in the Bond Details.

**Debt and Leases**

**Series 2021A(3) Bonds**

The District issued Limited Tax General Obligation Bonds, Series 2021A(3) on August 19, 2021, in the par amount of \$25,482,000 (the Bonds). Proceeds from the sale of the Bonds were used to (a) pay or reimburse Project Costs and (b) pay other costs in connection with the issuance of the Bonds.

**Bond Details**

The Bonds bear interest at 4.50% and mature on December 1, 2050. The Bonds constitute Senior “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 Pledged Revenue is available for payment. Principal and interest payments are due on the Bonds on December 1 of each year, beginning on December 1, 2021, only to the extent of available Pledged Revenue.

In the event that the Pledged Revenue is insufficient to pay the Bonds when due, the unpaid principal will continue to bear interest and the unpaid interest will compound annually on each December 1, at the rate then borne by the Bond; provided however, that notwithstanding anything hereinto the contrary, the District shall not be obligated to pay more than the amount permitted by law and the Election in repayment of the Bonds, including all payments of principal, premium if any, and interest, and all Bonds will be deemed defeased and no longer Outstanding upon the payment by the District of such amount.

**Optional Redemption**

The Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity, and in whole or partial maturities on September 1, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

| <u>Date of Redemption</u>             | <u>Redemption Premium</u> |
|---------------------------------------|---------------------------|
| September 1, 2026, to August 31, 2027 | 3.00%                     |
| September 1, 2027, to August 31, 2028 | 2.00                      |
| September 1, 2028, to August 31, 2029 | 1.00                      |
| September 1, 2029, and thereafter     | 0.00                      |

**LANTERNS METROPOLITAN DISTRICT NO. 2  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (Continued)**

**Pledged Revenue**

The Bonds are secured by and payable solely from and to the extent of Pledged Revenue, generally consisting of:

- (a) the Property Tax Revenues;
- (b) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and
- (c) any other legally available moneys that the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

The Indenture defines “Property Tax Revenues” as the ad valorem property taxes derived from the District’s imposition of the Required Mill Levy, net of the costs of collection of the County and any tax refunds or abatements authorized by or on behalf of the County.

**Required Mill Levy**

The District has covenanted to impose an ad valorem debt service mill levy upon all taxable property of the District each year in the amount equal to 63.600 mills or such lesser amount (subject to adjustment for changes in the method of calculating assessed valuation after January 1, 2018) that will generate Property Tax Revenues which, when combined with moneys then on deposit in the Bond fund, will pay the Bonds in full in the year such levy is collected

The District has no operating or capital leases

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

|                                  | Balance at<br>December 31,<br>2022 | Additions           | Reductions          | Balance at<br>December 31,<br>2023 |
|----------------------------------|------------------------------------|---------------------|---------------------|------------------------------------|
| Series 2021A Cashflow Bonds      | \$ 25,482,000                      | \$ -                | \$ -                | \$ 25,482,000                      |
| Developer Advance - O&M          | 49,238                             | -                   | -                   | 49,238                             |
| Developer Advance - Capital      | -                                  | 5,095,436           | 2,072,852           | 3,022,584                          |
| Accrued Interest on:             |                                    |                     |                     |                                    |
| Series 2021A Cashflow Bonds      | 1,361,337                          | 1,433,912           | 403,463             | 2,391,786                          |
| Developer Advance - O&M          | 2,194                              | 1,969               | -                   | 4,163                              |
| Developer Advance - Capital      | -                                  | 73,729              | -                   | 73,729                             |
| Total                            | <u>\$ 26,894,769</u>               | <u>\$ 6,605,046</u> | <u>\$ 2,476,315</u> | <u>\$ 31,023,500</u>               |
|                                  |                                    |                     |                     |                                    |
|                                  | Balance at<br>December 31,<br>2023 | Additions           | Reductions          | Balance at<br>December 31,<br>2024 |
| Series 2021A Cashflow Bonds      | \$ 25,482,000                      | \$ -                | \$ -                | \$ 25,482,000                      |
| Developer Advance - O&M          | 49,238                             | -                   | -                   | 49,238                             |
| Developer Advance - Capital Toll | 3,022,584                          | -                   | -                   | 3,022,584                          |
| Accrued Interest on:             |                                    |                     |                     |                                    |
| Series 2021A Cashflow Bonds      | 2,391,786                          | 1,657,715           | 691,835             | 3,357,666                          |
| Developer Advance - O&M          | 4,163                              | 1,970               | -                   | 6,133                              |
| Developer Advance - Capital      | 73,729                             | 123,853             | -                   | 197,582                            |
| Total                            | <u>\$ 31,023,500</u>               | <u>\$ 1,783,538</u> | <u>\$ 691,835</u>   | <u>\$ 32,115,203</u>               |



**LANTERNS METROPOLITAN DISTRICT NO. 2  
2024 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 for 2024 as defined under TABOR.

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

**LANTERNS METROPOLITAN DISTRICT NO. 3**

**ANNUAL BUDGET**

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

**LANTERNS METROPOLITAN DISTRICT NO. 3  
SUMMARY  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

|   | ACTUAL<br>2022 | ESTIMATED<br>2023 | BUDGET<br>2024 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES   | \$ -           | \$ -              | \$ 11,050,732  |
| REVENUES  |                |                   |                |
| Property taxes  | -              | -                 | 45,730         |
| Specific ownership taxes  | -              | -                 | 4,116          |
| Interest income   | -              | 60,000            | 100,050        |
| Developer advance   | -              | 5,050,000         | 7,733,806      |
| Bond proceeds - Series 2023A-1                                  | -              | 9,100,000         | -              |
| Bond proceeds - Series 2023A-2                                  | -              | 5,461,793         | -              |
| Bond proceeds - Series 2023B(2)                                 | -              | 2,175,000         | -              |
| Total revenues  | -              | 21,846,793        | 7,883,702      |
| TRANSFERS IN  | -              | 3,408,500         | -              |
| Total funds available   | -              | 25,255,293        | 18,934,434     |
| EXPENDITURES  |                |                   |                |
| General Fund  | -              | 49,000            | 69,000         |
| Debt Service Fund   | -              | 71,310            | 668,750        |
| Capital Projects Fund   | -              | 10,675,751        | 15,427,612     |
| Total expenditures  | -              | 10,796,061        | 16,165,362     |
| TRANSFERS OUT   | -              | 3,408,500         | -              |
| Total expenditures and transfers out<br>requiring appropriation | -              | 14,204,561        | 16,165,362     |
| ENDING FUND BALANCES  | \$ -           | \$ 11,050,732     | \$ 2,769,072   |
| EMERGENCY RESERVE   | \$ -           | \$ -              | \$ 1,500       |
| TOTAL RESERVE   | \$ -           | \$ -              | \$ 1,500       |

No assurance provided. See summary of significant assumptions.

**LANTERNS METROPOLITAN DISTRICT NO. 3  
PROPERTY TAX SUMMARY INFORMATION  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/22/24

| ACTUAL | ESTIMATED | BUDGET |
|--------|-----------|--------|
| 2022   | 2023      | 2024   |

**ASSESSED VALUATION**

|                          |              |              |              |
|--------------------------|--------------|--------------|--------------|
| Agricultural             | \$ 1,140     | \$ 700       | \$ 720       |
| Vacant land              | 2,099,530    | 2,198,920    | 3,994,620    |
| Personal property        | -            | -            | 4,500        |
| Certified Assessed Value | \$ 2,100,670 | \$ 2,199,620 | \$ 3,999,840 |

**MILL LEVY**

|                 |       |       |        |
|-----------------|-------|-------|--------|
| General         | 0.000 | 0.000 | 11.433 |
| Total mill levy | 0.000 | 0.000 | 11.433 |

**PROPERTY TAXES**

|                         |      |      |           |
|-------------------------|------|------|-----------|
| General                 | \$ - | \$ - | \$ 45,730 |
| Budgeted property taxes | \$ - | \$ - | \$ 45,730 |

**BUDGETED PROPERTY TAXES**

|         |      |      |           |
|---------|------|------|-----------|
| General | \$ - | \$ - | \$ 45,730 |
|         | \$ - | \$ - | \$ 45,730 |

**LANTERNS METROPOLITAN DISTRICT NO. 3  
GENERAL FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

|   | ACTUAL<br>2022 | ESTIMATED<br>2023 | BUDGET<br>2024  |
|---|----------------|-------------------|-----------------|
| BEGINNING FUND BALANCES   | \$ -           | \$ -              | \$ 1,000        |
| REVENUES  |                |                   |                 |
| Property taxes  | -              | -                 | 45,730          |
| Specific ownership taxes  | -              | -                 | 4,116           |
| Interest income   | -              | -                 | 50              |
| Developer advance   | -              | 50,000            | 20,000          |
| Total revenues  | <u>-</u>       | <u>50,000</u>     | <u>69,896</u>   |
| Total funds available   | <u>-</u>       | <u>50,000</u>     | <u>70,896</u>   |
| EXPENDITURES  |                |                   |                 |
| General and administrative                                      |                |                   |                 |
| Accounting  | -              | 20,000            | 25,000          |
| Auditing  | -              | -                 | 5,000           |
| County Treasurer's fee  | -              | -                 | 686             |
| Dues and membership   | -              | 2,000             | 2,500           |
| Insurance   | -              | 7,000             | 7,000           |
| Legal   | -              | 20,000            | 25,000          |
| Contingency   | -              | -                 | 3,814           |
| Total expenditures  | <u>-</u>       | <u>49,000</u>     | <u>69,000</u>   |
| Total expenditures and transfers out<br>requiring appropriation | <u>-</u>       | <u>49,000</u>     | <u>69,000</u>   |
| ENDING FUND BALANCES  | <u>\$ -</u>    | <u>\$ 1,000</u>   | <u>\$ 1,896</u> |
| EMERGENCY RESERVE   | <u>\$ -</u>    | <u>\$ -</u>       | <u>\$ 1,500</u> |
| TOTAL RESERVE   | <u>\$ -</u>    | <u>\$ -</u>       | <u>\$ 1,500</u> |

**LANTERNS METROPOLITAN DISTRICT NO. 3  
DEBT SERVICE FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

|   | ACTUAL<br>2022 | ESTIMATED<br>2023 | BUDGET<br>2024 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES   | \$ -           | \$ -              | \$ 3,347,190   |
| REVENUES  |                |                   |                |
| Interest income   | -              | 10,000            | 50,000         |
| Total revenues  | -              | 10,000            | 50,000         |
| TRANSFERS IN  |                |                   |                |
| Transfers from other funds                                      | -              | 3,408,500         | -              |
| Total funds available   | -              | 3,418,500         | 3,397,190      |
| EXPENDITURES  |                |                   |                |
| Debt Service  |                |                   |                |
| Paying agent fees   | -              | 9,000             | 9,000          |
| Bond interest   | -              | 62,310            | 659,750        |
| Total expenditures  | -              | 71,310            | 668,750        |
| Total expenditures and transfers out<br>requiring appropriation | -              | 71,310            | 668,750        |
| ENDING FUND BALANCES  | \$ -           | \$ 3,347,190      | \$ 2,728,440   |

**LANERNS METROPOLITAN DISTRICT NO. 3  
CAPITAL PROJECTS FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

|   | ACTUAL<br>2022 | ESTIMATED<br>2023 | BUDGET<br>2024 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES   | \$ -           | \$ -              | \$ 7,702,542   |
| <b>REVENUES</b>   |                |                   |                |
| Bond proceeds - Series 2023A-1                                  | -              | 9,100,000         | -              |
| Bond proceeds - Series 2023A-2                                  | -              | 5,461,793         | -              |
| Bond proceeds - Series 2023B(2)                                 | -              | 2,175,000         | -              |
| Developer advance   | -              | 5,000,000         | 7,713,806      |
| Interest income   | -              | 50,000            | 50,000         |
| Total revenues  | -              | 21,786,793        | 7,763,806      |
| Total funds available   | -              | 21,786,793        | 15,466,348     |
| <b>EXPENDITURES</b>   |                |                   |                |
| General and Administrative                                      |                |                   |                |
| Accounting  | -              | 5,000             | -              |
| Bond issue costs  | -              | 655,751           | -              |
| Legal   | -              | 5,000             | -              |
| Capital Projects  |                |                   |                |
| Repay developer advance   | -              | 5,000,000         | 7,713,806      |
| Engineering   | -              | 10,000            | -              |
| Capital outlay  | -              | 5,000,000         | 7,713,806      |
| Total expenditures  | -              | 10,675,751        | 15,427,612     |
| <b>TRANSFERS OUT</b>  |                |                   |                |
| Transfers to other fund   | -              | 3,408,500         | -              |
| Total expenditures and transfers out<br>requiring appropriation | -              | 14,084,251        | 15,427,612     |
| ENDING FUND BALANCES  | \$ -           | \$ 7,702,542      | \$ 38,736      |

No assurance provided. See summary of significant assumptions.

**LANERNS METROPOLITAN DISTRICT NO. 3  
2024 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 on November 25, 2014, 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 on August 21, 2018. 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**

**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 sales 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. 3  
2024 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:

| <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.

**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.

**County Treasurer’s Fees**

County Treasurer’s collection fees have been computed at 1.50% of property taxes.

**Debt Service**

There is no schedule of debt amortization for the Series 2023 Bonds as they are structured as cash flow bonds as discussed in the Bond Details.

**LANERNS METROPOLITAN DISTRICT NO. 3  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

**2023 Bonds**

The District issued bonds on October 27, 2023, in the par amounts of \$9,100,000 for the Limited Tax General Obligation Bonds, Series 2023A-1 (the 2023A-1 Bonds), \$5,461,793, appreciating to a principal amount of \$8,145,000, for the Limited Tax General Obligation Convertible Capital Appreciation Bonds, Series 2023A-2 (the 2023A-2 Bonds), and \$2,175,000 for the Subordinate Limited Tax General Obligation Bonds, Series 2023B (the Subordinate Bonds, and together with the 2023A-1 Bonds and 2023A-2 Bonds, the Bonds).

The Bonds may be subject to acceleration pursuant to mandatory redemption provisions as described in the applicable Indenture and do not have any unused lines of credit. No assets have been pledged as collateral on the Bonds.

**Proceeds of the Bonds**

Proceeds from the sale of the 2023A-1 Bonds and 2023A-2 Bonds (collectively, the Senior Bonds) were used for the purposes of (a) paying Project Costs, (b) funding capitalized interest for the Series 2023A-1 Bonds, (c) funding the Initial Surplus Fund Deposit to the Surplus Fund, and (d) paying costs and expenses incidental to the issuance of the Bonds. Proceeds from the sale of the Subordinate Bonds were used for the purpose of paying or reimbursing Project Costs.

**Optional Redemption**

The Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2028, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

| <u>Date of Redemption</u>              | <u>Redemption Premium</u> |
|--|---------------------------|
| December 1, 2028, to November 30, 2029 | 3.00%                     |
| December 1, 2029, to November 30, 2030 | 2.00                      |
| December 1, 2030, to November 30, 2031 | 1.00                      |
| December 1, 2031, and thereafter       | 0.00                      |

**Details of the 2023A-1 Bonds**

The 2023A-1 Bonds bear interest at 7.25%, payable semi-annually on June 1 and December 1, beginning on December 1, 2023. Annual mandatory sinking fund principal payments are due on December 1 of each year beginning on December 1, 2030. The 2023A-1 Bonds mature on December 1, 2053.

To the extent principal of any 2023A-1 Bond is not paid when due, such principal shall remain outstanding until paid subject to the Senior Termination Date. To the extent interest on any 2023A-1 Bond is not paid when due, such interest shall compound semiannually on each interest payment date, at the rate then borne by the 2023A-1 Bond.

The Senior Bonds and interest thereon will be deemed to be paid, satisfied, and discharged on December 2 of the year which is thirty-six (36) years after the First Debt Service Mill Levy Imposition Year of the Senior Required Mill Levy (the "Senior Termination Date"), regardless of the amount of principal and interest remaining unpaid. Events of default on the Senior Bonds occur if the District fails to impose the Senior Required Mill Levy, or to apply the Senior Pledged Revenues as required by the Senior Indenture and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Senior Indenture. Acceleration of the Senior Bonds shall not be an available remedy for an Event of Default.

**LANERNS METROPOLITAN DISTRICT NO. 3  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (Continued)**

Details of the 2023A-2 Bonds

The 2023A-2 Bonds were issued as capital appreciation bonds, convertible to current interest bonds on December 1, 2028. Prior to conversion to current interest bonds, the 2023A-2 Bonds accrete in value at an annual yield equal to 8.00% from their date of issuance. The accreted amount compounds semi-annually on June 1 and December 1, beginning on December 1, 2023, to and including December 1, 2028. Such accreted amount, together with the original principal amount of the 2023A-2 Bonds, bears additional interest at 8.00%. The accreted 2023A-2 Bonds principal balance at conversion on December 1, 2028, will be \$8,145,000. Upon conversion to current interest bonds, interest is payable semi-annually on June 1 and December 1, commencing on December 1, 2028. Annual principal payments are due on December 1 of each year, with a final maturity on December 1, 2053.

Senior Pledged Revenue

The Senior Bonds are secured by and payable solely from and to the extent of the Senior Pledged Revenue consisting of moneys derived by the District from (i) the Senior Required Mill Levy, net of fees of the County, (ii) Specific Ownership Taxes collected as a result of the imposition of the Senior Required Mill Levy, and (iii) any other legally available moneys which the District determines to apply as Senior Pledged Revenue.

Subordinate Bonds Details

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. The Subordinate Bonds bear interest at the rate of 9.25% per annum. Principal and interest on the Subordinate Bonds is payable annually on each December 15 commencing December 15, 2023, payable only from and to the extent of available Subordinate Pledged Revenue in the Subordinate Bond Fund.

To the extent principal of any bond is not paid when due, such principal is to remain outstanding until the earlier of its payment or the Subordinate Termination Date and is to continue to bear interest at the rate then borne by the Subordinate Bond. In the event interest on any bond is not paid when due, such interest is to compound annually on each December 15, at the rate then borne by the Subordinate Bond.

The Subordinate Bonds and interest thereon will be deemed to be paid, satisfied, and discharged on December 16 of the year which is thirty-six (36) years after the First Debt Service Mill Levy Imposition Year of the Subordinate Required Mill Levy (the Subordinate Termination Date), regardless of the amount of principal and interest remaining unpaid.

Events of default on the Subordinate Bonds occur if the District fails to impose the Subordinate Required Mill Levy, or to apply the Subordinate Pledged Revenues as required by the Subordinate Indenture and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Subordinate Indenture. Acceleration of the Subordinate Bonds shall not be an available remedy for an Event of Default.

Subordinate Pledged Revenue

The Subordinate Bonds are secured by and payable solely from and to the extent of the Subordinate Pledged Revenue consisting of moneys derived by the District from (i) the Subordinate Required Mill Levy, net of fees of the County, (ii) Specific Ownership Taxes collected as a result of the imposition of the Subordinate Required Mill Levy, and (iii) any other legally available moneys which the District determines to apply as Subordinate Pledged Revenue.

**LANTERNS METROPOLITAN DISTRICT NO. 3  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (Continued)**

The District has no operating or capital leases

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

|   | Balance at<br>December 31,<br>2022 |            | Additions     | Reductions   | Balance at<br>December 31,<br>2023 |            |
|---|------------------------------------|------------|---------------|--------------|------------------------------------|------------|
| Series 2023A-1 General Obligation Bonds               | \$                                 | -          | \$ 9,100,000  | \$ -         | \$                                 | 9,100,000  |
| Series 2023A-2 Convertible Capital Appreciation Bonds |                                    | -          | 5,461,793     | -            |                                    | 5,461,793  |
| Series 2023B(2) Cashflow Bonds                        |                                    | -          | 2,175,000     | -            |                                    | 2,175,000  |
| Developer Advance - O&M                               |                                    | -          | 50,000        | -            |                                    | 50,000     |
| Developer Advance - Capital                           |                                    | -          | 5,000,000     | 5,000,000    |                                    | -          |
| Accrued Interest on:                                  |                                    |            |               |              |                                    |            |
| Series 2023A-2 Convertible Capital Appreciation Bonds |                                    | -          | 6,733         | -            |                                    | 6,733      |
| Series 2023B(2) Cashflow Bonds                        |                                    | -          | 25,195        | -            |                                    | 25,195     |
| Total   | \$                                 | -          | \$ 21,818,721 | \$ 5,000,000 | \$                                 | 16,818,721 |
|   |                                    |            |               |              |                                    |            |
|   | Balance at<br>December 31,<br>2023 |            | Additions     | Reductions   | Balance at<br>December 31,<br>2024 |            |
| Series 2023A-1 General Obligation Bonds               | \$                                 | 9,100,000  | \$ -          | \$ -         | \$                                 | 9,100,000  |
| Series 2023A-2 Convertible Capital Appreciation Bonds |                                    | 5,461,793  | -             | -            |                                    | 5,461,793  |
| Series 2023B(2) Cashflow Bonds                        |                                    | 2,175,000  | -             | -            |                                    | 2,175,000  |
| Developer Advance - O&M                               |                                    | 50,000     | 20,000        | -            |                                    | 70,000     |
| Developer Advance - Capital                           |                                    | -          | 7,713,806     | 7,713,806    |                                    | -          |
| Accrued Interest on:                                  |                                    |            |               |              |                                    |            |
| Series 2023A-2 Convertible Capital Appreciation Bonds |                                    | 6,733      | 7,076         | -            |                                    | 13,809     |
| Series 2023B(2) Cashflow Bonds                        |                                    | 25,195     | 203,888       | -            |                                    | 229,083    |
| Developer Advance - O&M                               |                                    | -          | 2,000         | -            |                                    | 2,000      |
| Total   | \$                                 | 16,818,721 | \$ 7,946,770  | \$ 7,713,806 | \$                                 | 17,051,685 |

**Reserve Funds**

**Emergency Reserve**

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for 2024 as defined under TABOR.

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

**LANTERNS METROPOLITAN DISTRICT NO. 4**

**ANNUAL BUDGET**

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

**LANTERNS METROPOLITAN DISTRICT NO. 4  
GENERAL FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

|   | ACTUAL<br>2022 | ESTIMATED<br>2023 | BUDGET<br>2024  |
|---|----------------|-------------------|-----------------|
| BEGINNING FUND BALANCES   | \$ -           | \$ -              | \$ -            |
| REVENUES  |                |                   |                 |
| Property taxes  | -              | -                 | 19,436          |
| Specific ownership taxes  | -              | -                 | 1,749           |
| Interest income   | -              | -                 | 100             |
| Developer advance   | -              | 50,000            | -               |
| Total revenues  | <u>-</u>       | <u>50,000</u>     | <u>21,285</u>   |
| Total funds available   | <u>-</u>       | <u>50,000</u>     | <u>21,285</u>   |
| EXPENDITURES  |                |                   |                 |
| General and administrative                                      |                |                   |                 |
| Accounting  | -              | 20,000            | 7,500           |
| County Treasurer's fee  | -              | -                 | 292             |
| Dues and membership   | -              | 2,000             | 1,000           |
| Insurance   | -              | 5,000             | 3,000           |
| Legal   | -              | 20,000            | 7,500           |
| Miscellaneous   | -              | 3,000             | -               |
| Contingency   | -              | -                 | 708             |
| Total expenditures  | <u>-</u>       | <u>50,000</u>     | <u>20,000</u>   |
| Total expenditures and transfers out<br>requiring appropriation | <u>-</u>       | <u>50,000</u>     | <u>20,000</u>   |
| ENDING FUND BALANCES  | <u>\$ -</u>    | <u>\$ -</u>       | <u>\$ 1,285</u> |
| EMERGENCY RESERVE   | <u>\$ -</u>    | <u>\$ -</u>       | <u>\$ 700</u>   |
| TOTAL RESERVE   | <u>\$ -</u>    | <u>\$ -</u>       | <u>\$ 700</u>   |

No assurance provided. See summary of significant assumptions.

**LANTERNS METROPOLITAN DISTRICT NO. 4  
PROPERTY TAX SUMMARY INFORMATION  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

| ACTUAL<br>2022 | ESTIMATED<br>2023 | BUDGET<br>2024 |
|----------------|-------------------|----------------|
|----------------|-------------------|----------------|

**ASSESSED VALUATION**

|                          |               |               |               |
|--------------------------|---------------|---------------|---------------|
| Residential              | \$ 369,310    | \$ 3,792,820  | \$ 9,737,770  |
| Commercial               | 4,330         | 4,330         | 8,340         |
| Natural resources        | 310           | 310           | 520           |
| Agricultural             | 10            | -             | -             |
| Vacant land              | 9,774,980     | 10,008,140    | 9,466,110     |
| Personal property        | 25,250        | 74,440        | 222,920       |
| Certified Assessed Value | \$ 10,174,190 | \$ 13,880,040 | \$ 19,435,660 |

**MILL LEVY**

|                 |       |       |       |
|-----------------|-------|-------|-------|
| General         | 0.000 | 0.000 | 1.000 |
| Total mill levy | 0.000 | 0.000 | 1.000 |

**PROPERTY TAXES**

|                         |      |      |           |
|-------------------------|------|------|-----------|
| General                 | \$ - | \$ - | \$ 19,436 |
| Budgeted property taxes | \$ - | \$ - | \$ 19,436 |

**BUDGETED PROPERTY TAXES**

|         |      |      |           |
|---------|------|------|-----------|
| General | \$ - | \$ - | \$ 19,436 |
|         | \$ - | \$ - | \$ 19,436 |

**LANERNS METROPOLITAN DISTRICT NO. 4  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Lanterns Metropolitan District No. 4 , 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 on January 17, 2019, 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 on August 21, 2018. 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 operations and maintenance services to the Service area and will function as an overlay district that will share boundaries with District Nos. 1-3.

District No. 4 shall not be permitted to issue Debt without Town consent but is permitted to own, operate, and maintain Public Improvements and impose an ad valorem property tax mill levy to fund operation and maintenance services.

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 sales 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. 4  
2024 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:

| <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.

**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.

**County Treasurer’s Fees**

County Treasurer’s collection fees have been computed at 1.50% of property taxes.

**LANERNS METROPOLITAN DISTRICT NO. 4  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

The District has no operating or capital leases.

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

|                         | Balance at<br>December 31,<br>2022 | Additions        | Reductions  | Balance at<br>December 31,<br>2023 |
|-------------------------|------------------------------------|------------------|-------------|------------------------------------|
| Developer Advance - O&M | \$ -                               | \$ 50,000        | \$ -        | \$ 50,000                          |
| Total                   | <u>\$ -</u>                        | <u>\$ 50,000</u> | <u>\$ -</u> | <u>\$ 50,000</u>                   |
|                         |                                    |                  |             |                                    |
|                         | Balance at<br>December 31,<br>2023 | Additions        | Reductions  | Balance at<br>December 31,<br>2024 |
| Developer Advance - O&M | \$ 50,000                          | \$ -             | \$ -        | \$ 50,000                          |
| Accrued Interest on:    |                                    |                  |             |                                    |
| Developer Advance - O&M | -                                  | 2,000            | -           | 2,000                              |
| Total                   | <u>\$ 50,000</u>                   | <u>\$ 2,000</u>  | <u>\$ -</u> | <u>\$ 52,000</u>                   |

**Reserve Funds**

**Emergency Reserve**

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for 2024 as defined under TABOR.

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

**LANTERNS METROPOLITAN DISTRICT NO. 5**

**ANNUAL BUDGET**

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

**LANTERNS METROPOLITAN DISTRICT NO. 5  
GENERAL FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

|   | ACTUAL<br>2022 | ESTIMATED<br>2023 | BUDGET<br>2024 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES   | \$ -           | \$ -              | \$ -           |
| REVENUES  |                |                   |                |
| Property taxes  | -              | -                 | 17,595         |
| Specific ownership taxes  | -              | -                 | 1,584          |
| Interest income   | -              | -                 | 100            |
| Developer advance   | -              | 50,000            | -              |
| Total revenues  | -              | 50,000            | 19,279         |
| Total funds available   | -              | 50,000            | 19,279         |
| EXPENDITURES  |                |                   |                |
| General and administrative                                      |                |                   |                |
| Accounting  | -              | 20,000            | 7,500          |
| County Treasurer's fee  | -              | -                 | 264            |
| Dues and membership   | -              | 2,000             | 500            |
| Insurance   | -              | 5,000             | 2,500          |
| Legal   | -              | 20,000            | 7,500          |
| Miscellaneous   | -              | 3,000             | -              |
| Contingency   | -              | -                 | 236            |
| Total expenditures  | -              | 50,000            | 18,500         |
| Total expenditures and transfers out<br>requiring appropriation | -              | 50,000            | 18,500         |
| ENDING FUND BALANCES  | \$ -           | \$ -              | \$ 779         |
| EMERGENCY RESERVE   | \$ -           | \$ -              | \$ 600         |
| TOTAL RESERVE   | \$ -           | \$ -              | \$ 600         |

No assurance provided. See summary of significant assumptions.

**LANTERNS METROPOLITAN DISTRICT NO. 5  
PROPERTY TAX SUMMARY INFORMATION  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

| ACTUAL | ESTIMATED | BUDGET |
|--------|-----------|--------|
| 2022   | 2023      | 2024   |

**ASSESSED VALUATION**

|                          |              |              |               |
|--------------------------|--------------|--------------|---------------|
| Residential              | \$ 429,000   | \$ 3,037,010 | \$ 7,875,610  |
| Commercial               | 218,120      | 704,840      | 936,260       |
| Agricultural             | 2,030        | 700          | 720           |
| Vacant land              | 3,648,630    | 5,155,920    | 8,580,690     |
| Personal property        | 168,870      | 127,520      | 201,250       |
| Certified Assessed Value | \$ 4,466,650 | \$ 9,025,990 | \$ 17,594,530 |

**MILL LEVY**

|                 |       |       |       |
|-----------------|-------|-------|-------|
| General         | 0.000 | 0.000 | 1.000 |
| Total mill levy | 0.000 | 0.000 | 1.000 |

**PROPERTY TAXES**

|                         |      |      |           |
|-------------------------|------|------|-----------|
| General                 | \$ - | \$ - | \$ 17,595 |
| Budgeted property taxes | \$ - | \$ - | \$ 17,595 |

**BUDGETED PROPERTY TAXES**

|         |      |      |           |
|---------|------|------|-----------|
| General | \$ - | \$ - | \$ 17,595 |
|         | \$ - | \$ - | \$ 17,595 |

**LANERNS METROPOLITAN DISTRICT NO. 5  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Lanterns Metropolitan District No. 5 , 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 on January 17, 2019, 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 on August 21, 2018. 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 operations and maintenance services to the Service area and will function as an overlay district that will share boundaries with District Nos. 1-3.

District No. 5 shall not be permitted to issue Debt without Town consent but is permitted to own, operate, and maintain Public Improvements and impose an ad valorem property tax mill levy to fund operation and maintenance services.

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 sales 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.

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

**LANTERNS METROPOLITAN DISTRICT NO. 5  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (Continued)**

**Property Taxes(Continued)**

| <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.

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**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.

**County Treasurer’s Fees**

County Treasurer’s collection fees have been computed at 1.50% of property taxes.

**LANERNS METROPOLITAN DISTRICT NO. 5  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

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

|                         | Balance at<br>December 31,<br>2022 | Additions        | Reductions  | Balance at<br>December 31,<br>2023 |
|-------------------------|------------------------------------|------------------|-------------|------------------------------------|
| Developer Advance - O&M | \$ -                               | \$ 50,000        | \$ -        | \$ 50,000                          |
| Total                   | <u>\$ -</u>                        | <u>\$ 50,000</u> | <u>\$ -</u> | <u>\$ 50,000</u>                   |
|                         | Balance at<br>December 31,<br>2023 | Additions        | Reductions  | Balance at<br>December 31,<br>2024 |
| Developer Advance - O&M | \$ 50,000                          | \$ -             | \$ -        | \$ 50,000                          |
| Accrued Interest on:    |                                    |                  |             |                                    |
| Developer Advance - O&M | -                                  | 2,000            | -           | 2,000                              |
| Total                   | <u>\$ 50,000</u>                   | <u>\$ 2,000</u>  | <u>\$ -</u> | <u>\$ 52,000</u>                   |

**Reserve Funds**

**Emergency Reserve**

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for 2024 as defined under TABOR.

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