

LANTERNS METROPOLITAN DISTRICT NO. 5

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2025

**LANTERNS METROPOLITAN DISTRICT NO. 5
GENERAL FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ -	\$ 12,371	\$ 13,557
REVENUES			
Property taxes	-	17,595	29,135
Specific ownership taxes	-	1,584	2,622
Interest Income	-	10	80
Developer advance	15,000	-	-
Other Revenue	2	-	-
Total revenues	15,002	19,189	31,837
Total funds available	15,002	31,560	45,394
EXPENDITURES			
General and administrative			
Accounting	986	10,000	12,000
County Treasurer's Fee	-	264	437
Dues and Membership	-	178	500
Insurance	505	2,494	3,000
Election	38	67	2,000
Legal	1,102	5,000	8,500
Website	-	-	1,000
Contingency	-	-	563
Total expenditures	2,631	18,003	28,000
Total expenditures and transfers out requiring appropriation	2,631	18,003	28,000
ENDING FUND BALANCES	\$ 12,371	\$ 13,557	\$ 17,394
EMERGENCY RESERVE	\$ 100	\$ 600	\$ 1,000
TOTAL RESERVE	\$ 100	\$ 600	\$ 1,000

No assurance provided. See summary of significant assumptions.

LANTERNS METROPOLITAN DISTRICT NO. 5
PROPERTY TAX SUMMARY INFORMATION
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

ACTUAL	ESTIMATED	BUDGET
2023	2024	2025

ASSESSED VALUATION

Residential	\$ 3,037,010	\$ 7,875,610	\$ 12,296,710
Commercial	704,840	936,260	-
Agricultural	700	720	720
Vacant land	5,155,920	8,580,690	6,919,290
Personal property	127,520	201,250	206,650
Certified Assessed Value	\$ 9,025,990	\$ 17,594,530	\$ 19,423,370

MILL LEVY

General	0.000	1.000	1.500
Total mill levy	0.000	1.000	1.500

PROPERTY TAXES

General	\$ -	\$ 17,595	\$ 29,135
Budgeted property taxes	\$ -	\$ 17,595	\$ 29,135

BUDGETED PROPERTY TAXES

General	\$ -	\$ 17,595	\$ 29,135
	\$ -	\$ 17,595	\$ 29,135

**LANERNS METROPOLITAN DISTRICT NO. 5
2025 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 2025, SB22-238, SB23B-001, SB 24-233, and HB24B-1001 set the assessment rates and actual value reductions as follows:

**LANERNS METROPOLITAN DISTRICT NO. 5
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Property Taxes(Continued)

Category	Rate		Category	Rate		Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	\$30,000
			Oil & Gas Production	87.50%			

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.

**LANTERNS METROPOLITAN DISTRICT NO. 5
2025 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 December 31, 2023	Additions	Reductions	Balance at December 31, 2024
Developer Advance - O&M	\$ 15,000	\$ -	\$ -	\$ 15,000
Accrued Interest on:				
Developer Advance - O&M	20	612	-	632
Total	<u>\$ 15,020</u>	<u>\$ 612</u>	<u>\$ -</u>	<u>\$ 15,632</u>
	Balance at December 31, 2024	Additions	Reductions	Balance at December 31, 2025
Developer Advance - O&M	\$ 15,000	\$ -	\$ -	\$ 15,000
Accrued Interest on:				
Developer Advance - O&M	632	637	-	1,269
Total	<u>\$ 15,632</u>	<u>\$ 637</u>	<u>\$ -</u>	<u>\$ 16,269</u>

Reserve Funds

Emergency Reserve

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

This information is an integral part of the accompanying budget.