

LANTERNS METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2025

**LANTERNS METROPOLITAN DISTRICT NO. 1
SUMMARY
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	\$ 2,072,876	\$ 2,330,657	\$ 6,717,141
REVENUES			
Property taxes	1,094,263	1,956,256	2,085,347
Specific ownership taxes	103,641	171,000	187,682
Bond issuance proceeds	-	28,342,424	-
Developer advance	4,772,359	620,449	6,000,000
Interest Income	122,988	116,000	18,500
Other Revenue	-	9,396	-
Total revenues	<u>6,093,251</u>	<u>31,215,525</u>	<u>8,291,529</u>
TRANSFERS IN	<u>28,020</u>	<u>21,996,590</u>	<u>-</u>
Total funds available	<u>8,194,147</u>	<u>55,542,772</u>	<u>15,008,670</u>
EXPENDITURES			
General Fund	74,590	106,297	643,000
Debt Service Fund	960,501	25,756,461	1,450,000
Capital Projects Fund	4,800,379	966,283	12,000,000
Total expenditures	<u>5,835,470</u>	<u>26,829,041</u>	<u>14,093,000</u>
TRANSFERS OUT	<u>28,020</u>	<u>21,996,590</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>5,863,490</u>	<u>48,825,631</u>	<u>14,093,000</u>
ENDING FUND BALANCES	<u>\$ 2,330,657</u>	<u>\$ 6,717,141</u>	<u>\$ 915,670</u>
EMERGENCY RESERVE	\$ 5,600	\$ 10,200	\$ 10,600
AVAILABLE FOR OPERATIONS	157,331	385,272	95,019
DEBT SERVICE RESERVE FUND SERIES 2019	1,479,000	-	-
CAPITALIZED INTEREST/FEES FUND SERIES 2019	688,726	-	-
DEBT SERVICE SURPLUS FUND SERIES 2024	-	321,669	810,051
TOTAL RESERVE	<u>\$ 2,330,657</u>	<u>\$ 717,141</u>	<u>\$ 915,670</u>

No assurance provided. See summary of significant assumptions.

LANTERNS METROPOLITAN DISTRICT NO. 1
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	\$ 6,829,830	\$ 16,853,460	\$ 20,799,440
Commercial	708,740	943,770	882,150
Natural resources	310	300	300
Vacant land	6,979,870	5,247,610	2,679,930
Personal property	217,060	367,370	315,090
Certified Assessed Value	\$ 14,735,810	\$ 23,412,510	\$ 24,676,910

MILL LEVY

General	11.183	12.320	12.460
Debt Service	64.660	71.236	72.046
Total mill levy	75.843	83.556	84.506

PROPERTY TAXES

General	\$ 164,791	\$ 288,442	\$ 307,474
Debt Service	952,817	1,667,814	1,777,873
Levied property taxes	1,117,608	1,956,256	2,085,347
Adjustments to actual/rounding	(23,345)	-	-
Budgeted property taxes	\$ 1,094,263	\$ 1,956,256	\$ 2,085,347

BUDGETED PROPERTY TAXES

General	\$ 161,349	\$ 288,442	\$ 307,474
Debt Service	932,914	1,667,814	1,777,873
	\$ 1,094,263	\$ 1,956,256	\$ 2,085,347

**LANTERNS METROPOLITAN DISTRICT NO. 1
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	\$ 79,393	\$ 162,931	\$ 395,472
REVENUES			
Property taxes	161,349	288,442	307,474
Specific ownership taxes	15,282	25,000	27,673
Interest Income	9,517	16,000	18,000
Other Revenue	-	9,396	-
Total revenues	<u>186,148</u>	<u>338,838</u>	<u>353,147</u>
Total funds available	<u>265,541</u>	<u>501,769</u>	<u>748,619</u>
EXPENDITURES			
General and administrative			
Accounting	26,278	30,000	37,000
Auditing	5,900	6,500	6,500
County Treasurer's Fee	2,421	4,327	4,612
Election	4,264	43	2,000
Insurance	8,878	37,972	40,000
Legal	25,902	25,000	45,000
Miscellaneous	947	1,549	1,000
Website	-	-	1,000
Contingency	-	-	5,888
Repay developer advance	-	-	500,000
Engineering	-	906	-
Total expenditures	<u>74,590</u>	<u>106,297</u>	<u>643,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>28,020</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>102,610</u>	<u>106,297</u>	<u>643,000</u>
ENDING FUND BALANCES	<u>\$ 162,931</u>	<u>\$ 395,472</u>	<u>\$ 105,619</u>
EMERGENCY RESERVE	\$ 5,600	\$ 10,200	\$ 10,600
AVAILABLE FOR OPERATIONS	157,331	385,272	95,019
TOTAL RESERVE	<u>\$ 162,931</u>	<u>\$ 395,472</u>	<u>\$ 105,619</u>

No assurance provided. See summary of significant assumptions.

LANTERNS METROPOLITAN DISTRICT NO. 1
DEBT SERVICE 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	\$ 1,993,483	\$ 2,167,726	\$ 321,669
REVENUES			
Property taxes	932,914	1,667,814	1,777,873
Specific ownership taxes	88,359	146,000	160,009
Interest Income	113,471	100,000	500
Total revenues	<u>1,134,744</u>	<u>1,913,814</u>	<u>1,938,382</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>21,996,590</u>	<u>-</u>
Total funds available	<u>3,128,227</u>	<u>26,078,130</u>	<u>2,260,051</u>
EXPENDITURES			
General and administrative			
County Treasurer's Fee	14,001	25,017	26,668
Paying agent fees	9,500	9,500	9,500
Refunding escrow	-	24,689,944	-
Bond Interest - Series 2019A Bonds	937,000	937,000	-
Bond Principal - Series 2019A Bonds	-	95,000	-
Bond Interest - Series 2024A Bonds	-	-	1,136,824
Bond Principal - Series 2024A Bonds	-	-	235,000
Contingency	-	-	42,008
Total expenditures	<u>960,501</u>	<u>25,756,461</u>	<u>1,450,000</u>
Total expenditures and transfers out requiring appropriation	<u>960,501</u>	<u>25,756,461</u>	<u>1,450,000</u>
ENDING FUND BALANCES	<u>\$ 2,167,726</u>	<u>\$ 321,669</u>	<u>\$ 810,051</u>
DEBT SERVICE RESERVE FUND SERIES 2019	\$ 1,479,000	\$ -	\$ -
CAPITALIZED INTEREST/FEEES FUND SERIES 2019	688,726	-	-
DEBT SERVICE SURPLUS FUND SERIES 2024	-	321,669	810,051
TOTAL RESERVE	<u>\$ 2,167,726</u>	<u>\$ 321,669</u>	<u>\$ 810,051</u>

No assurance provided. See summary of significant assumptions.

**LANERNS METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS 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	\$ -	\$ -	\$ 6,000,000
REVENUES			
Developer advance	4,772,359	620,449	6,000,000
Bond issuance proceeds	-	28,342,424	-
Total revenues	<u>4,772,359</u>	<u>28,962,873</u>	<u>6,000,000</u>
TRANSFERS IN			
Transfers from other funds	<u>28,020</u>	<u>-</u>	<u>-</u>
Total funds available	<u>4,800,379</u>	<u>28,962,873</u>	<u>12,000,000</u>
EXPENDITURES			
Capital Projects			
Repay developer advance	-	-	6,000,000
Engineering	28,020	-	-
Capital outlay	4,772,359	620,449	6,000,000
Bond issue costs	-	345,834	-
Total expenditures	<u>4,800,379</u>	<u>966,283</u>	<u>12,000,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>21,996,590</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>4,800,379</u>	<u>22,962,873</u>	<u>12,000,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ 6,000,000</u>	<u>\$ -</u>

**LANERNS METROPOLITAN DISTRICT NO. 1
2025 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
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

Property Taxes

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:

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.

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 anticipates capital outlay as outlined in the Capital Projects fund.

**LANTERNS METROPOLITAN DISTRICT NO. 1
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures – (continued)

Debt Service

Principal and interest payments are provided based on the debt amortization schedule for the Series 2024A Limited Tax General Obligation Refunding and Improvement Bonds.

Debt and Leases

2024 Bonds

The District issued bonds on December 31, 2024, in the par amount of 29,020,000, for the Series 2024A Limited Tax General Obligation Refunding and Improvement Bonds, (the Bonds).

Proceeds of the Bonds

The Bonds are being issued for the purpose of: (a) refunding the Refunded Bonds, (b) paying or reimbursing Project Costs (including reimbursing the Developer for amounts due and owing under the Acquisition and Reimbursement Agreement), (c) paying other costs in connection with the issuance of the Bonds and refunding the Refunded Bonds, and (d) funding the Initial Surplus Fund Deposit to the Surplus Fund.

2024A Bonds Details

The 2024A Bonds will bear interest at rates ranging from 4.000% to 5.000% payable semi-annually on June 1 and December 1, beginning on December 1, 2025. Annual mandatory sinking fund principal payments are due annually on December 1, beginning on December 1, 2025. The 2024A Bonds mature on December 1, 2053.

To the extent principal of any Bond is not paid when due, such principal shall remain outstanding until paid, subject to discharge. To the extent interest on any 2024A Bond is not paid when due, such interest shall compound semi-annually on each interest payment date, at the rate then borne by the 2024A Bond. The District shall not be obligated to pay more than the amount permitted by law in repayment of the 2024A Bonds. If any amount of principal of or interest on the Bonds remains unpaid after the application of all.

2024A Bonds Pledged Revenue

The Bonds are secured by and payable solely from and to the extent of Pledged Revenue. The Indenture defines Pledged Revenue as the moneys derived by the District from the following sources:

- (a) all Property Tax Revenues;
- (b) all Specific Ownership Tax Revenues; and
- (c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Bond Fund.

**LANTERNS METROPOLITAN DISTRICT NO. 1
2025 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 - December 31, 2023	Additions	Reductions	Balance - December 31, 2024
Bonds Payable:				
General Obligation Refunding and Improvement Bonds:				
Refunding Series - Series 2024A	\$ -	\$ 29,020,000	\$ -	\$ 29,020,000
Limited Tax General Obligation Bonds:				
Senior Series - Series 2019A	18,740,000	-	18,740,000	-
Subordinate - Series 2019B	2,051,000	-	2,051,000	-
Junior Lien - Series 2019C	1,329,000	-	1,329,000	-
Premium on Series 2019A Bonds	344,346	-	344,346	-
Accrued Interest on:				
Series 2019B Bonds	801,247	266,156	1,067,403	-
Series 2019C Bonds	696,059	227,592	923,651	-
Subtotal of Bonds Payable	<u>23,961,652</u>	<u>29,513,748</u>	<u>24,455,400</u>	<u>29,020,000</u>
Other Debts:				
Developer Advances - Organization Costs - Toll Brothers (Assigned)	145,171	-	-	145,171
Developer Advances - O&M - Toll Brothers	274,648	-	-	274,648
Developer Advances - Capital - Toll Brothers	4,826,710	-	-	4,826,710
Developer Advances - O&M - Toll Brothers (Assigned)	92,368	-	-	92,368
Developer Advances - Capital - Toll Brothers (Assigned)	105,686	-	-	105,686
Accrued Interest on:				
Developer Advances - Organization Costs - Toll Brothers (Assigned)	122,076	-	-	122,076
Developer Advances - O&M - Toll Brothers	85,964	21,972	-	107,936
Developer Advances - Capital - Toll Brothers	237,135	386,137	-	623,272
Developer Advances - O&M - Toll Brothers (Assigned)	76,511	7,390	-	83,901
Developer Advances - Capital - Toll Brothers (Assigned)	91,211	8,455	-	99,666
Developer Advances - Infrastructure - Toll Brothers	12,462	-	-	12,462
Subtotal of Other Debts	<u>6,069,942</u>	<u>423,954</u>	<u>-</u>	<u>6,493,896</u>
Total Long-Term Obligation	<u>\$ 30,031,594</u>	<u>\$ 29,937,702</u>	<u>\$ 24,455,400</u>	<u>\$ 35,513,896</u>
	Balance - December 31, 2024	Additions	Reductions	Balance - December 31, 2025
Bonds Payable:				
General Obligation Refunding and Improvement Bonds:				
Refunding Series - Series 2024A	\$ 29,020,000	\$ -	\$ 235,000	\$ 28,785,000
Subtotal of Bonds Payable	<u>29,020,000</u>	<u>-</u>	<u>235,000</u>	<u>28,785,000</u>
Other Debts:				
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	4,826,710	-	-	4,826,710
Developer Advances - O&M - Toll Brothers (Assigned)	92,368	-	-	92,368
Developer Advances - Capital - Toll Brothers (Assigned)	105,686	-	-	105,686
Accrued Interest on:				
Developer Advances - Organization Costs - Jefferson	122,076	-	-	122,076
Developer Advances - O&M - Toll Brothers	107,936	21,972	-	129,908
Developer Advances - Capital - Toll Brothers	623,272	386,137	-	1,009,409
Developer Advances - O&M - Jefferson	83,901	7,390	-	91,291
Developer Advances - Capital - Jefferson	99,666	8,455	-	108,121
Developer Advances - Infrastructure - Toll Brothers	12,462	-	-	12,462
Subtotal of Other Debts	<u>6,493,896</u>	<u>423,954</u>	<u>-</u>	<u>6,917,850</u>
Total Long-Term Obligation	<u>\$ 35,513,896</u>	<u>\$ 423,954</u>	<u>\$ 235,000</u>	<u>\$ 35,702,850</u>

**LANTERNS METROPOLITAN DISTRICT NO. 1
2025 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.

This information is an integral part of the accompanying budget.

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

\$29,020,000

General Obligation Refunding and Improvement Bonds
Series 2024A

Dated December 31, 2024

Interest Rates: 5.000%, 4.125%, 4.250%

Interest Payable June 1 and December 1

Principal Due December 1

Bonds and Interest Maturing in the Year Ending December 1,	Principal	Interest	Total
2025	\$ 235,000	\$ 1,136,824	\$ 1,371,824
2026	365,000	1,224,675	1,589,675
2027	385,000	1,206,425	1,591,425
2028	435,000	1,187,175	1,622,175
2029	455,000	1,165,425	1,620,425
2030	510,000	1,142,675	1,652,675
2031	535,000	1,117,175	1,652,175
2032	595,000	1,090,425	1,685,425
2033	630,000	1,060,675	1,690,675
2034	690,000	1,029,175	1,719,175
2035	725,000	994,675	1,719,675
2036	790,000	965,675	1,755,675
2037	820,000	934,075	1,754,075
2038	885,000	901,275	1,786,275
2039	920,000	865,875	1,785,875
2040	995,000	829,075	1,824,075
2041	1,035,000	789,275	1,824,275
2042	1,110,000	747,875	1,857,875
2043	1,155,000	703,475	1,858,475
2044	1,235,000	657,275	1,892,275
2045	1,285,000	607,875	1,892,875
2046	1,375,000	554,869	1,929,869
2047	1,430,000	498,150	1,928,150
2048	1,530,000	439,163	1,969,163
2049	1,590,000	376,050	1,966,050
2050	1,695,000	310,463	2,005,463
2051	1,770,000	238,425	2,008,425
2052	1,880,000	163,200	2,043,200
2053	1,960,000	83,300	2,043,300
	<u>\$ 29,020,000</u>	<u>\$ 23,020,693</u>	<u>\$ 52,040,693</u>

No assurance provided. See summary of significant assumptions.