

**THE CANYONS METROPOLITAN DISTRICT NO. 5**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**

**THE CANYONS METROPOLITAN DISTRICT NO. 5**  
**SUMMARY**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

10/14/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 6/30/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 7,001,326	\$ 6,905,294	\$ 7,121,187	\$ 7,121,187	\$ 6,905,494
REVENUES					
Property tax	841,389	1,404,762	1,395,924	1,402,915	1,938,293
Specific ownership tax	81,142	112,381	61,035	112,381	174,446
Interest income	2,532	6,900	16,669	45,016	134,000
Developer advance	44,165	67,988	17,772	57,381	55,405
Acceptance of reimbursable costs	9,685,450	15,299,200	6,358,639	14,675,600	17,408,473
Facilities fees	1,188,000	1,184,000	360,000	750,000	904,000
PIF revenue	963,755	1,102,719	448,657	920,000	969,669
Bond proceeds	9,012,546	-	-	-	-
Total revenues	21,818,979	19,177,950	8,658,696	17,963,293	21,584,286
TRANSFERS IN	5,944	-	-	-	-
Total funds available	28,826,249	26,083,244	15,779,883	25,084,480	28,489,780
EXPENDITURES					
General Fund	59,746	81,000	37,894	71,901	88,000
Debt Service Fund	2,929,529	3,773,800	1,487,124	3,412,685	4,068,914
Capital Projects Fund	18,709,843	15,322,950	6,361,440	14,694,400	17,426,973
Total expenditures	21,699,118	19,177,750	7,886,458	18,178,986	21,583,886
TRANSFERS OUT	5,944	-	-	-	-
Total expenditures and transfers out requiring appropriation	21,705,062	19,177,750	7,886,458	18,178,986	21,583,886
ENDING FUND BALANCES	\$ 7,121,187	\$ 6,905,494	\$ 7,893,425	\$ 6,905,494	\$ 6,905,894
EMERGENCY RESERVE	\$ 400	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,600
RESERVE FUND	4,529,294	4,529,294	4,529,294	4,529,294	4,529,294
SURPLUS FUND	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000
TOTAL RESERVE	\$ 6,904,694	\$ 6,905,494	\$ 6,905,494	\$ 6,905,494	\$ 6,905,894

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 5**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

10/14/22

ACTUAL 2021	BUDGET 2022	ACTUAL 6/30/2022	ESTIMATED 2022	BUDGET 2023
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**ASSESSED VALUATION - DOUGLAS**

Residential - Single Family	\$ 1,784,290	\$ 10,892,130	\$ 10,892,130	\$ 10,892,130	\$ 27,342,740
Commercial	183,810	-	-	-	-
Agricultural	8,100	7,460	7,460	7,460	5,710
Natural Resources	2,250	2,250	2,250	2,250	2,250
Vacant Land	16,101,460	19,102,940	19,102,940	19,102,940	15,271,150
State Assessed	700	700	700	700	3,800
Personal Property	353,480	771,690	771,690	771,690	676,550
Certified Assessed Value	<u>\$ 18,434,090</u>	<u>\$ 30,777,170</u>	<u>\$ 30,777,170</u>	<u>\$ 30,777,170</u>	<u>\$ 43,302,200</u>

**MILL LEVY**

General	1.112	1.112	1.112	1.112	1.091
Debt Service	44.531	44.531	44.531	44.531	43.671
Total mill levy	<u>45.643</u>	<u>45.643</u>	<u>45.643</u>	<u>45.643</u>	<u>44.762</u>

**PROPERTY TAXES**

General	\$ 20,499	\$ 34,224	\$ 34,224	\$ 34,224	\$ 47,243
Debt Service	820,888	1,370,538	1,370,538	1,370,538	1,891,050
Levied property taxes	<u>841,387</u>	<u>1,404,762</u>	<u>1,404,762</u>	<u>1,404,762</u>	<u>1,938,293</u>
Adjustments to actual/rounding	2	-	(8,891)	-	-
Refunds and abatements	-	-	-	(1,847)	-
Budgeted property taxes	<u>\$ 841,389</u>	<u>\$ 1,404,762</u>	<u>\$ 1,395,871</u>	<u>\$ 1,402,915</u>	<u>\$ 1,938,293</u>

**BUDGETED PROPERTY TAXES**

General	\$ 20,530	\$ 34,224	\$ 34,061	\$ 34,179	\$ 47,243
Debt Service	820,859	1,370,538	1,361,863	1,368,736	1,891,050
	<u>\$ 841,389</u>	<u>\$ 1,404,762</u>	<u>\$ 1,395,924</u>	<u>\$ 1,402,915</u>	<u>\$ 1,938,293</u>

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 5**  
**GENERAL FUND**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

10/14/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 6/30/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 3,225	\$ 1,000	\$ (2,299)	\$ (2,299)	\$ 1,200
REVENUES					
Property taxes	20,530	34,224	34,061	34,179	47,243
Specific ownership tax	1,980	2,738	1,489	2,738	4,252
Interest income	7	-	7	16	-
Developer advance	31,705	44,238	15,603	38,467	36,905
Total revenues	54,222	81,200	51,160	75,400	88,400
Total funds available	57,447	82,200	48,861	73,101	89,600
EXPENDITURES					
General and administrative					
Accounting	34,800	36,500	19,660	36,500	42,000
Auditing	4,700	4,700	-	4,700	5,200
County Treasurer's fee	308	513	512	513	709
Dues and licenses	319	400	658	658	750
Insurance and bonds	3,780	4,250	4,030	4,030	4,500
Legal services	15,541	27,500	10,558	22,500	26,000
Miscellaneous	298	1,500	300	500	1,500
Election expense	-	4,000	2,176	2,500	5,000
Contingency	-	1,637	-	-	2,341
Total expenditures	59,746	81,000	37,894	71,901	88,000
Total expenditures and transfers out requiring appropriation	59,746	81,000	37,894	71,901	88,000
ENDING FUND BALANCE	\$ (2,299)	\$ 1,200	\$ 10,967	\$ 1,200	\$ 1,600
EMERGENCY RESERVE	\$ 400	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,600
TOTAL RESERVE	\$ 400	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,600

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 5**  
**DEBT SERVICE FUND**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

10/14/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 6/30/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 6,992,885	\$ 6,904,294	\$ 7,123,600	\$ 7,123,600	\$ 6,904,294
REVENUES					
Property taxes	820,859	1,370,538	1,361,863	1,368,736	1,891,050
Specific ownership tax	79,162	109,643	59,546	109,643	170,195
Interest income	2,524	6,900	16,662	45,000	134,000
Facilities fees	1,188,000	1,184,000	360,000	750,000	904,000
PIF revenue	963,755	1,102,719	448,657	920,000	969,669
Total revenues	3,054,300	3,773,800	2,246,728	3,193,379	4,068,914
TRANSFERS IN					
Transfers from other funds	5,944	-	-	-	-
Total funds available	10,053,129	10,678,094	9,370,328	10,316,979	10,973,207
EXPENDITURES					
General and administrative					
Accounting	15,918	11,000	5,965	11,000	12,700
County Treasurer's fee	12,317	20,558	20,462	20,558	28,366
Paying agent fees	8,500	9,500	5,500	9,500	9,500
Debt Service					
Bond interest - Series 2017A	2,892,794	2,892,794	1,446,397	2,892,794	2,892,794
Bond interest - Series 2017B	-	839,948	-	478,833	1,125,554
Total expenditures	2,929,529	3,773,800	1,478,324	3,412,685	4,068,914
Total expenditures and transfers out requiring appropriation	2,929,529	3,773,800	1,478,324	3,412,685	4,068,914
ENDING FUND BALANCE	\$ 7,123,600	\$ 6,904,294	\$ 7,892,004	\$ 6,904,294	\$ 6,904,294
RESERVE FUND	\$ 4,529,294	\$ 4,529,294	\$ 4,529,294	\$ 4,529,294	\$ 4,529,294
SURPLUS FUND	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000
TOTAL RESERVE	\$ 6,904,294	\$ 6,904,294	\$ 6,904,294	\$ 6,904,294	\$ 6,904,294

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 5**  
**CAPITAL PROJECTS FUND**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

10/14/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 6/30/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 5,216	\$ -	\$ (114)	\$ (114)	\$ -
REVENUES					
Interest income	1	-	-	-	-
Developer advance	12,460	23,750	2,169	18,914	18,500
Acceptance of reimbursable costs	9,685,450	15,299,200	6,358,639	14,675,600	17,408,473
Bond proceeds	9,012,546	-	-	-	-
Total revenues	18,710,457	15,322,950	6,360,808	14,694,514	17,426,973
Total funds available	18,715,673	15,322,950	6,360,694	14,694,400	17,426,973
EXPENDITURES					
General and Administrative					
Accounting	3,864	5,750	590	2,500	3,500
Legal services	7,983	18,000	2,211	7,500	15,000
Capital Projects					
Repay Developer advance	16,698	-	-	-	-
Repay interest	84,851	-	-	-	-
Recognition of costs	9,685,450	15,299,200	6,358,639	14,675,600	17,408,473
Repayment of reimbursable costs	8,910,997	-	-	-	-
Cost of issuance - market study	-	-	8,800	8,800	-
Total expenditures	18,709,843	15,322,950	6,370,240	14,694,400	17,426,973
TRANSFERS OUT					
Transfers to other fund	5,944	-	-	-	-
Total expenditures and transfers out requiring appropriation	18,715,787	15,322,950	6,370,240	14,694,400	17,426,973
ENDING FUND BALANCE	\$ (114)	\$ -	\$ (9,546)	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 5  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District was organized to provide financing for the design, acquisition, installation and construction of storm and sanitary sewers, water systems, streets, parks and recreation facilities, transportation systems, television relay and translator facilities, security, mosquito control and fire protection and operation and maintenance of the District. The District's service area is located in the City of Castle Pines in Douglas County, Colorado and the District operates in connection with Districts Nos. 1 - 4 and 6 - 11.

The District was formed by District Court Order on June 4, 2010, and held its organizational meeting on December 6, 2010. The relationship between the District No. 5, District No. 6, and District No. 7, including the means for approving, financing, constructing and operating the public services and improvements needed to serve the property are outlined in the Master Reimbursement Agreement executed December 29, 2015 by the District and District Nos. 6 and 7.

May 4, 2010, District voters approved authorization to increase property taxes up to \$100,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District as well as \$100,000,000, annually, as necessary to pay for the capital expenditures of the District. Debt authorization was approved in the amount of \$1,300,000,000 for the above listed facilities and \$100,000,000 for refunding debt. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law.

On November 4, 2014, District voters approved authorization to increase property taxes up to \$226,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District as well as \$226,000,000, annually, as necessary to pay for the capital expenditures of the District. Debt authorization was approved in the amount of \$2,260,000,000 for the above listed facilities and \$226,000,000 for refunding debt. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law.

Pursuant to the Amended and Restated Service Plan, the maximum mill levy for general obligation debt and operations and maintenance is 69.000 mills. This limit is to be adjusted for increases or decreases in the residential assessment ratio (for the debt portion of the mill levy only) so that the actual tax revenues derived from the mill levy, as adjusted, are neither diminished nor enhanced as a result.

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.

**THE CANYONS METROPOLITAN DISTRICT NO. 5  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues**

**Developer Advances**

The District is in the development stage. As such, the operating and administrative expenditures are to be partially funded by the Developer. Advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse from 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.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

The calculation of the taxes levied is displayed on the property tax page of the Budget and is pursuant to the Master Reimbursement Agreement. Collectively, Districts Nos. 5, 6, and 7 are permitted to levy 69.000 mills, subject to being adjusted for changes in the assessment ration which brings the total mill levy for all three districts to 75.330 mills. The total adopted mill levy is shown on the Property Tax Summary page of the budget.

**Specific Ownership Tax**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing with 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% of the property taxes collected.

**Interest Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 2%.



**THE CANYONS METROPOLITAN DISTRICT NO. 5  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (continued)**

**Facilities Fees**

The District imposes a Facilities Fee in the amount of \$4,000 on each residential lot within the boundaries of the District. Such fees are allowed to increase the lesser of 5% annually or the percentage increase in the Denver-Boulder Consumer price index percentage increase for the prior year, effective January 1, 2017. The Facilities Fees are due and payable on the earlier to occur of (i) the initial transfer of a residential lot to a third party builder or (ii) the issuance of a building permit for a residential unit.

**Public Improvement Fee (PIF)**

The Mixed-Use Owner has imposed a Public Improvement Fee ("PIF") through the Declaration of Covenants Imposing And Implementing The North Canyons Public Improvements Fee ("PIF Covenant"). The PIF rate applicable to Construction Activities is 50% of the applicable Use Tax rate pursuant to the City's Sales/Use Tax Ordinance. Construction Activities is defined in the PIF Covenant as the use of building and construction materials for incorporation into the construction of any new building. Eighty percent (80%) of the PIF Revenue is collected by the District and pledged to the payment of the 2017 and 2016 Bonds. The PIF is due prior to obtaining a building permit.

**Expenditures**

**County Treasurer's Fees**

County Treasurer's collection fees have been computed at 1.5% of property taxes.

**General and Administrative**

General and administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as accounting, legal, insurance, and other administrative expenditures.

**Debt Service**

Interest payments are provided based on the attached debt to maturity schedule for the Series 2017A bonds.

The District anticipates an interest payment on the Series 2017B bonds. A debt to maturity schedule is not attached due to the cash flow nature of these Bonds.

**Capital Outlay**

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

**THE CANYONS METROPOLITAN DISTRICT NO. 5  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

**Series 2017A Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds**

On May 24, 2017 the District issued \$47,500,000 of Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds. The proceeds from the sale of the 2017A Bonds were used to:

- (a) finance the acquisition, construction, and installation of certain public improvements;
- (b) refund the outstanding balance on the 2016 Bonds (defined below);
- (c) fund the Capitalized Interest Fund;
- (d) fund the Senior Reserve Fund; and
- (e) pay the costs of issuing the Bonds.

The Series 2017A Bonds bear interest at rates ranging from 6.000% to 6.125%, payable semi-annually on June 1 and December 1 each year, to the extent of Senior Pledged Revenue available therefor, beginning on December 1, 2017. Annual mandatory sinking fund principal payments on the Series 2017A Bonds are due on December 1, beginning on December 1, 2026. The Series 2017A Bonds mature on December 1, 2047.

The Series 2017A Bonds are secured by and payable solely from and to the extent of the Senior Pledged Revenue, net of any costs of collection, which is defined generally in the 2017A Indenture as:

- (a) the Senior Property Tax Revenues;
- (b) the Senior Specific Ownership Tax Revenues attributable to the Senior Required Mill Levy;
- (c) Capital Fees, including particularly and without limitation, the Facilities Fees;
- (d) Pledged PIF Revenues; and
- (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

Senior Pledged Revenue that is not needed to pay debt service on the Series 2017A Bonds in any year will be deposited to and held in the Senior Surplus Fund, up to the Maximum Surplus Amount of \$2,375,000. The Senior Surplus Fund is established and held as an account of the Trustee, and moneys therein are to be used solely for the purpose of paying the principal of and interest on the Series 2017A Bonds to the extent the moneys in the Senior Bond Fund are insufficient for such purpose. Amounts on deposit in the Senior Surplus Fund (if any) on the maturity date of the Series 2017A Bonds shall be applied to the payment of the Series 2017A Bonds.

The Series 2017A Bonds are further secured by amounts on deposit in the Senior Reserve Fund, which was funded with proceeds from the Series 2017A Bonds in the amount of the Required Reserve of \$4,529,294.

**THE CANYONS METROPOLITAN DISTRICT NO. 5  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

The Series 2017A Indenture provides a Senior Required Mill Levy be imposed in an amount sufficient to pay the principal of, premium if any, and interest on the Series 2017A Bonds as the same become due and payable (less any amount thereof for which amounts are then on deposit in the Senior Bond Fund and, solely to the extent provided in the Senior Indenture, the Senior Surplus Fund and the Senior Reserve Fund) and to replenish the Senior Reserve Fund to the Senior Reserve Requirement, but not in excess of 40 mills (as adjusted). For so long as the Senior Surplus Fund is less than the Maximum Surplus Amount, the Senior Required Mill Levy shall be equal to 40 mills (as adjusted to 44.531), or such lesser amount that will generate Senior Property Tax Revenues (i) sufficient to pay the principal of, premium if any, and interest on the Series 2017A.

Bonds as the same become due and payable, and to fully fund the Senior Surplus Fund to the Maximum Surplus Amount, or (ii) which, when combined with moneys then on deposit in the Senior Bond Fund, the Senior Surplus Fund and the Senior Reserve Fund, will pay the Series 2017A Bonds in full. Such maximum and minimum mill levies are subject to adjustment per changes in the residential assessment rate.

**Series 2017B Subordinate Limited Tax General Obligation and Special Revenue Bonds**

On May 24, 2017 the District issued \$11,925,000 of Limited Tax General Obligation and Special Revenue Bonds. The proceeds from the sale of the Series 2017B Bonds were used to finance the acquisition, construction, and installation of certain public improvements.

The Series 2017B Bonds bear an interest rate of 8.00% per annum and payable annually on December 15, but only to the extent of available Subordinate Pledged Revenue. The Series 2017B Bonds are structured as cash flow bonds, meaning that there are no scheduled payments of principal or interest thereof prior to the final maturity date. Rather, principal on the Series 2017B Bonds is payable on each December 15 (if at all) from, and solely to the extent of, Subordinate Pledged Revenue (if any) remaining after the payment of interest then due on the Series 2017B Bonds on December 15 of the then current year. Unpaid interest on the 2017B Bonds compounds annually on each December 15.

In the event that, on December 15, 2057 any amount of principal of or interest on the Series 2017B Bonds remains unpaid after application of all Subordinate Pledged Revenue available therefor in accordance with the Subordinate Indenture, the Series 2017B Bonds and the lien of the Subordinate Indenture securing payment thereof is to be deemed discharged.

**THE CANYONS METROPOLITAN DISTRICT NO. 5  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

The Series 2017B Bonds are secured by and payable solely from the following sources, net of any costs of collection, to the extent not previously deducted by definition, (the “Subordinate Pledged Revenue”):

- (a) all Subordinate Property Tax Revenues;
- (b) all Subordinate Specific Ownership Tax Revenues attributable to the Subordinate Required Mill Levy;
- (c) all Subordinate Capital Fee Revenue, including particularly and without limitation, the Facilities Fees;
- (d) all Subordinate PIF Revenue; and
- (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

Pursuant to the Series 2017B Indenture, the District has further covenanted to levy a Subordinate Required Mill Levy each year in the amount equal to (i) 40 mills (as adjusted from January 1, 2009 to 44.531) less the Senior Required Mill Levy, or (ii) such lesser amount that will generate Subordinate Property Tax Revenues which, when combined with moneys then on deposit in the Subordinate Bond Fund, will pay the 2017B Bonds in full.

**Series 2016 Limited Tax General Obligation and Special Revenue Bonds**

The District previously authorized its Limited Tax General Obligation and Special Revenue Bonds, Series 2016, in the aggregate principal amount of up to \$68,664,991 and, of such amount, the District has issued \$1,535,003 in aggregate principal amount. The Series 2016 Bonds were authorized to be issued from time to time in accordance with an Indenture of Trust between the District and UMB Bank, n.a., as trustee thereunder (the “2016 Trustee”) dated as of November 1, 2016, as amended by the First Supplemental Indenture of Trust between the District and the 2016 Trustee dated as of May 25, 2017 (the “2016 First Supplement”), and as further amended by the Second Supplemental Indenture of Trust between the District and the 2016 Trustee dated as of September 29, 2020 (the “2016 Second Supplement” and, as supplemented, the “2016 Indenture”).

Proceeds of the Series 2017A Bonds were will be used to refund the outstanding balance of the Series 2016 Bonds in the principal amount of \$1,535,003. The 2016 First Supplement decreased the total authorized principal amount of the Series 2016 Bonds from \$68,664,991 to \$11,485,003 based on the then-anticipated residential development within the District. In 2020, the District was advised of changes to the anticipated residential development within the District which allowed the District to increase the amount of the Series 2016 Bonds that can be reasonably expected to be repaid from Pledged Revenue. The District entered into the 2016 Second Supplement to increase the total authorized aggregate principal amount to \$27,767,003 (including the previously issued bonds), to add a discharge provision to occur on December 15, 2067, and to allow additional draws to occur for a three year period.

**THE CANYONS METROPOLITAN DISTRICT NO. 5  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases** (continued)

The 2016 Indenture and related documents allow additional draws on the Series 2016 Bonds of up to \$26,232,000 in aggregate principal amount for the purpose of paying the Original Landowner amounts due pursuant to the District's Reimbursement Obligation under the Master Reimbursement Agreement to the extent proceeds of the Series 2017A and 2017B Bonds are insufficient for such purpose. On May 11, 2020, the District issued \$9,950,000 of principal and on September 29, 2020, the District issued \$4,060,000 of principal, which has resulted in an authorized and unissued aggregate principal balance of \$12,222,000. Repayment of the Series 2016 Bonds is fully subordinate and junior to the payment of the 2017A Bonds and the 2017B Bonds.

The Series 2016 Bonds bear an interest rate of 7.00% per annum and are payable annually on December 15, but only to the extent of available Pledged Revenue. The Series 2016 Bonds mature on December 15, 2057. The Series 2016 Bonds are structured as cash flow bonds, meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Rather, principal on the Series 2016 Bonds is payable on each December 15 (if at all) from, and solely to the extent of, Pledged Revenue (if any) remaining after the payment of interest then due on the Series 2016 Bonds on December 15 of the then current year. Unpaid interest on the Series 2016 Bonds compounds annually on each December 15.

In the event that, on December 15, 2067, any amount of principal of or interest on the Series 2016 Bonds remains unpaid after application of all Pledged Revenue available therefor in accordance with the 2016 Indenture, the Series 2016 Bonds and the lien of the 2016 Indenture securing payment thereof is to be deemed discharged.

The Series 2016 Bonds are subject to optional redemption, prior to maturity, at the option of the District, on any date upon payment of par, and accrued interest, without redemption premium.

The Series 2016 Bonds are secured by and payable solely from and to the extent of the Pledged Revenue, net of any costs of collection, which is defined generally in the 2016 Indenture as the following, net of any costs of collection:

- (a) all Property Tax Revenues;
- (b) all Specific Ownership Tax Revenues;
- (c) all Capital Fees;
- (d) all Pledged PIF Revenues;
- (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the 2016 Bond Fund; and
- (f) to the extent not included in the foregoing, any other revenues pledged to the payment of Senior Obligations after deduction of any amount applied to the payment of any Senior Obligation Annual Debt Service Requirements.

**THE CANYONS METROPOLITAN DISTRICT NO. 5  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases** (continued)

Property Tax Revenues means all moneys derived from imposition by the District of the 2016 Bond Required Mill Levy and excludes Specific Ownership Tax Revenues. Property Tax Revenues are net of the costs of collection and any tax refunds or abatement authorized by or on behalf of the County.

Pursuant to the 2016 Indenture, the District has covenanted to impose a 2016 Bond Required Mill Levy upon all taxable property of the District in an amount equal to 40 mills (subject to adjustment for changes in the method of calculating assessed valuation after January 1, 2009, but in no event in excess of 50 mills (without adjustment)) less the then applicable Senior Required Mill Levy. The Series 2017A Bonds and Series 2017B Bonds constitute Senior Obligations under the 2016 Indenture.

The District has no operating or capital leases.

**Reserves**

**Emergency Reserves**

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

**Debt Service Reserves**

The District maintains a Debt Service Reserve as required with the issuance of the Series 2017A Bonds.

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

**THE CANYONS METROPOLITAN DISTRICT NO. 5**  
**SCHEDULE OF DEBT SERVICE CASH REQUIREMENTS TO MATURITY**

**\$47,500,000**

**General Obligation and Refunding and Improvement Bonds , Series 2017A**

**Interest Rate 6.000% to 6.125% per annum**

**Interest Payable on June 1 and December 1**

**Principal Payable December 1**

**Dated May 24, 2017**

<b>Bonds and Interest Maturing in the Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ -	\$ 2,892,794	\$ 2,892,794
2024	-	2,892,794	2,892,794
2025	-	2,892,794	2,892,794
2026	20,000	2,892,794	2,912,794
2027	260,000	2,891,594	3,151,594
2028	560,000	2,875,994	3,435,994
2029	800,000	2,842,394	3,642,394
2030	1,040,000	2,794,394	3,834,394
2031	1,135,000	2,731,994	3,866,994
2032	1,280,000	2,663,894	3,943,894
2033	1,360,000	2,587,094	3,947,094
2034	1,520,000	2,505,494	4,025,494
2035	1,610,000	2,414,294	4,024,294
2036	1,785,000	2,317,694	4,102,694
2037	1,895,000	2,210,594	4,105,594
2038	2,090,000	2,096,894	4,186,894
2039	2,220,000	1,968,881	4,188,881
2040	2,440,000	1,832,906	4,272,906
2041	2,585,000	1,683,456	4,268,456
2042	2,830,000	1,525,125	4,355,125
2043	3,005,000	1,351,788	4,356,788
2044	3,275,000	1,167,731	4,442,731
2045	3,475,000	967,138	4,442,138
2046	3,775,000	754,294	4,529,294
2047	8,540,000	523,075	9,063,075
	<u>\$ 47,500,000</u>	<u>\$ 54,277,898</u>	<u>\$ 101,777,898</u>

No assurance provided. See summary of significant assumptions.

**The Canyons Metropolitan District No. 5**  
**Schedule of Long-Term Obligations**

	Balance at December 31, 2020	Additions*	Repayments*	Balance at December 31, 2021*	Additions*	Repayments*	Balance at December 31, 2022*
Limited Tax GO and Special Revenue Refunding and Improvement Bonds Series 2017A - Principal	\$ 47,500,000	\$ -	\$ -	\$ 47,500,000	\$ -	\$ -	\$ 47,500,000
Subordinate Limited Tax GO and Special Revenue Bonds Series 2017B - Principal	11,925,000	-	-	11,925,000	-	-	11,925,000
Discount on Series 2017	(399,048)	-	-	(399,048)	-	-	(399,048)
Limited Tax GO and Special Revenue Bonds Series 2016 - Principal	17,219,454	-	-	17,219,454	-	-	17,219,454
Subordinate Limited Tax GO and Special Revenue Bonds Series 2017B - Interest	3,764,713	1,255,177	143,514	4,876,376	1,327,959	839,948	5,364,387
Limited Tax GO and Special Revenue Bonds Series 2016 - Interest	545,977	1,764,753	-	2,310,730	1,105,688	-	3,416,418
<b>Total Bonds Payable</b>	<b>80,556,096</b>	<b>3,019,930</b>	<b>143,514</b>	<b>83,432,512</b>	<b>2,433,647</b>	<b>839,948</b>	<b>85,026,211</b>
Developer Advances - Operations - Principal	195,820	45,377	-	241,197	44,238	-	285,435
Developer Advances - Operations - Interest	22,037	13,919	-	35,956	16,770	-	52,726
Developer Advances - Capital - Principal	15,107	22,418	-	37,525	23,750	-	61,275
Developer Advances - Capital - Interest	389	1,308	-	1,697	3,219	-	4,916
Public Improvement Reimbursement Agreement	-	17,737,736	8,910,997	8,826,739	17,330,000	-	26,156,739
Public Improvement Reimbursement Agreement - Interest	-	110,000	84,851	25,149	175,000	-	200,149
<b>Total Developer Advance Payable</b>	<b>233,353</b>	<b>17,930,758</b>	<b>8,995,848</b>	<b>9,168,263</b>	<b>17,592,977</b>	<b>-</b>	<b>26,761,240</b>
<b>Total</b>	<b>\$ 80,789,449</b>	<b>\$ 20,950,688</b>	<b>\$ 9,139,362</b>	<b>\$ 92,600,775</b>	<b>\$ 20,026,624</b>	<b>\$ 839,948</b>	<b>\$ 111,787,451</b>

\* Estimate

No assurance provided. See summary of significant assumptions.