

THE CANYONS METROPOLITAN DISTRICT NO. 5
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2025

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

12/11/24

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 7,008,164	\$ 7,046,057	\$ 3,498,620
REVENUES			
Property taxes	1,938,295	3,590,421	4,856,415
Specific ownership taxes	179,747	268,500	339,949
Reimbursed expenditures	-	51,921	-
Interest Income	378,627	450,060	130,500
Developer advance	32,322	8,952	-
Facilities fees	380,000	523,000	915,000
Acceptance of reimbursable costs	9,818,222	-	-
Other Revenue	-	2,324	-
Bond issuance proceeds	-	136,144,000	-
Bond Premium	-	7,093,028	-
Transfers from Canyons MD No. 6	-	2,674,747	-
PIF Revenue	406,352	550,000	934,870
Total revenues	<u>13,133,565</u>	<u>151,356,953</u>	<u>7,176,734</u>
TRANSFERS IN	<u>-</u>	<u>17,000,000</u>	<u>-</u>
Total funds available	<u>20,141,729</u>	<u>175,403,010</u>	<u>10,675,354</u>
EXPENDITURES			
General Fund	66,348	104,754	97,000
Debt Service Fund	3,207,817	137,772,485	7,299,063
Capital Projects Fund	9,821,507	17,000,000	-
Total expenditures	<u>13,095,672</u>	<u>154,877,239</u>	<u>7,396,063</u>
TRANSFERS OUT	<u>-</u>	<u>17,027,151</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>13,095,672</u>	<u>171,904,390</u>	<u>7,396,063</u>
ENDING FUND BALANCES	<u>\$ 7,046,057</u>	<u>\$ 3,498,620</u>	<u>\$ 3,279,291</u>
EMERGENCY RESERVE	\$ 1,600	\$ 2,900	\$ 3,200
RESERVE FUND - 2017A	4,529,294	-	-
RESERVE FUND - 2024A	-	3,023,156	3,023,156
SURPLUS FUND	2,375,000	-	-
TOTAL RESERVE	<u>\$ 6,905,894</u>	<u>\$ 3,026,056</u>	<u>\$ 3,026,356</u>

No assurance provided. See summary of significant assumptions.

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

12/11/24

ACTUAL	ESTIMATED	BUDGET
2023	2024	2025

ASSESSED VALUATION

Residential	\$ 27,342,740	\$ 54,496,130	\$ 65,126,870
Industrial	2,250	2,170	2,170
Agricultural	5,710	5,810	4,270
State assessed	3,800	3,700	3,700
Vacant land	15,271,105	16,934,070	15,374,590
Personal property	676,550	1,056,980	986,920
Certified Assessed Value	\$ 43,302,155	\$ 72,498,860	\$ 81,498,520

MILL LEVY

General	1.091	1.208	1.216
Debt Service	43.671	48.345	58.373
Total mill levy	44.762	49.553	59.589

PROPERTY TAXES

General	\$ 47,243	\$ 87,579	\$ 99,102
Debt Service	1,891,048	3,504,957	4,757,313
Levied property taxes	1,938,291	3,592,536	4,856,415
Adjustments to actual/rounding	4	-	-
Refunds and abatements	-	(2,115)	-
Budgeted property taxes	\$ 1,938,295	\$ 3,590,421	\$ 4,856,415

BUDGETED PROPERTY TAXES

General	\$ 47,243	\$ 87,527	\$ 99,102
Debt Service	1,891,052	3,502,894	4,757,313
	\$ 1,938,295	\$ 3,590,421	\$ 4,856,415

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

1/24/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ (2,885)	\$ (3,483)	\$ 21,850
REVENUES			
Property taxes	47,294	87,527	99,102
Specific ownership taxes	4,386	6,500	6,937
Interest Income	27	60	500
Developer advance	14,043	8,906	-
Reimbursed expenditures	-	51,921	-
Other Revenue	-	2,324	-
Total revenues	65,750	157,238	106,539
Total funds available	62,865	153,755	128,389
EXPENDITURES			
General and administrative			
Accounting	38,321	46,500	47,000
Auditing	4,900	5,300	5,600
County Treasurer's Fee	710	1,314	1,487
Directors' fees	400	600	1,000
Dues and Membership	336	339	500
Insurance	3,821	4,455	4,900
Legal	15,601	45,000	25,000
Miscellaneous	631	1,200	2,000
Payroll taxes	-	46	77
Election	1,628	-	5,000
Contingency	-	-	4,436
Total expenditures	66,348	104,754	97,000
TRANSFERS OUT			
Transfers to other fund	-	27,151	-
Total expenditures and transfers out requiring appropriation	66,348	131,905	97,000
ENDING FUND BALANCES	\$ (3,483)	\$ 21,850	\$ 31,389
EMERGENCY RESERVE	\$ 1,600	\$ 2,900	\$ 3,200
TOTAL RESERVE	\$ 1,600	\$ 2,900	\$ 3,200

No assurance provided. See summary of significant assumptions.

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

12/11/24

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 7,026,089	\$ 7,049,586	\$ 3,476,770
REVENUES			
Property taxes	1,891,001	3,502,894	4,757,313
Specific ownership taxes	175,361	262,000	333,012
PIF Revenue	406,352	550,000	934,870
Interest Income	378,600	450,000	130,000
Facilities fees	380,000	523,000	915,000
Bond issuance proceeds	-	136,144,000	-
Bond Premium	-	7,093,028	-
Transfers from Canyons MD No. 6	-	2,674,747	-
Total revenues	<u>3,231,314</u>	<u>151,199,669</u>	<u>7,070,195</u>
Total funds available	<u>10,257,403</u>	<u>158,249,255</u>	<u>10,546,965</u>
EXPENDITURES			
General and administrative			
Accounting	5,124	2,000	5,000
County Treasurer's Fee	28,380	52,574	71,360
Debt Service			
Bond interest - Series 2017A	2,892,794	1,446,397	-
Bond interest - Series 2017B	273,019	8,064,208	-
Bond interest - Series 2016C	-	8,163,742	-
Bond interest - Series 2024A	-	670,981	4,831,063
Bond interest - Series 2024B	-	-	2,311,640
Bond principal - Series 2016C	-	26,232,000	-
Bond principal - Series 2024A	-	-	75,000
Refunding escrow	-	62,419,647	-
Transfers to Canyons MD No. 6	-	26,277,375	-
Paying agent fees	8,500	8,500	5,000
Bond issue costs	-	4,435,061	-
Total expenditures	<u>3,207,817</u>	<u>137,772,485</u>	<u>7,299,063</u>
TRANSFERS OUT			
Transfers to other fund	-	17,000,000	-
Total expenditures and transfers out requiring appropriation	<u>3,207,817</u>	<u>154,772,485</u>	<u>7,299,063</u>
ENDING FUND BALANCES	<u>\$ 7,049,586</u>	<u>\$ 3,476,770</u>	<u>\$ 3,247,902</u>
RESERVE FUND - 2017A	\$ 4,529,294	\$ -	\$ -
RESERVE FUND - 2024A	-	3,023,156	3,023,156
SURPLUS FUND	2,375,000	-	-
TOTAL RESERVE	<u>\$ 6,904,294</u>	<u>\$ 3,023,156</u>	<u>\$ 3,023,156</u>

No assurance provided. See summary of significant assumptions.

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

12/11/24

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ (15,040)	\$ (46)	\$ -
REVENUES			
Developer advance	18,279	46	-
Acceptance of reimbursable costs	9,818,222	-	-
Total revenues	<u>9,836,501</u>	<u>46</u>	<u>-</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>17,000,000</u>	<u>-</u>
Total funds available	<u>9,821,461</u>	<u>17,000,000</u>	<u>-</u>
EXPENDITURES			
General and Administrative			
Accounting	3,124	-	-
Legal	161	-	-
Capital Projects			
Repay developer advance	-	17,000,000	-
Recognition of costs	9,818,222	-	-
Total expenditures	<u>9,821,507</u>	<u>17,000,000</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>9,821,507</u>	<u>17,000,000</u>	<u>-</u>
ENDING FUND BALANCES	<u>\$ (46)</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

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

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.

Pursuant to the Service Plan, the District is required to adjust its maximum Required Mill Levy for changes in the ratio of actual to assessed value of property within the District. As of December 31, 2023, the adjusted maximum mill levy for debt service is 48.345 mills and 1.208 for operations. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in a amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable [and to make up any deficiencies in the Reserve Fund].

For property tax collection year 2024, SB22-238 and SB23B-001 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%		

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.

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 7% of the property taxes collected.

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

Revenues (continued)

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4%.

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 2024A bonds.

The District anticipates an interest payment on the Series 2024B bonds. A debt to maturity schedule is not attached due to the cash flow nature of these Bonds.

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

Debt and Leases

Series 2024A Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds

On October 11, 2024, the District issued \$98,955,000 of Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds. The proceeds from the sale of the 2024A Bonds were used to:

- (a) Refunding a portion of the District's 2017A, 2017B, and 2016C Bonds and District No. 6's 2017A, 2017B, and 2016C Bonds;
- (b) Paying or reimbursing costs of the facilities;
- (c) Fund a deposit to the Senior Reserve Fund representing 50% of the Senior Reserve Requirement; and
- (d) Pay the costs of issuing the Bonds and the 2024B Subordinate Bonds and the premium for the Bond Insurance Policy and Reserve Policy which will fund 50% of the Senior Reserve Requirement

The Series 2024A Bonds bear interest at rates ranging from 4.125% to 5.250%, payable semi-annually on June 1 and December 1 each year, to the extent of Senior Pledged Revenue available therefor, beginning on December 1, 2024. Annual mandatory sinking fund principal payments on the Series 2024A Bonds are due on December 1, beginning on December 1, 2025. The Series 2024A Bonds mature on December 1, 2059.

The Series 2024A 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 2024A 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.

The Series 2024A Bonds are further secured by amounts on deposit in the Senior Reserve Fund, which was 50% funded with proceeds from the Series 2024A Bonds and the in the amount of the Required Reserve of \$3,023,156.

The Series 2024A 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 2024A 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, and the Senior

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

Debt and Leases (continued)

Reserve Fund) and to replenish the Senior Reserve Fund to the Senior Reserve Requirement, but not in excess of 48 mills (as adjusted).

Series 2024B Subordinate Limited Tax General Obligation and Special Revenue Bonds

On October 11, 2024, the District issued \$37,189,000 of Limited Tax General Obligation and Special Revenue Bonds. The proceeds from the sale of the Series 2024B Bonds were used for the purpose of paying an additional portion of the costs of refunding District's 2017A, 2017B, and 2016C Bonds and District No. 6's 2017A, 2017B, and 2016C Bonds.

The Series 2024B Bonds bear an interest rate of 6.50% per annum and payable annually on December 15, but only to the extent of available Subordinate Pledged Revenue. The Series 2024B 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 2024B 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 2024B Bonds on December 15 of the then current year. Unpaid interest on the 2024B Bonds compounds annually on each December 15.

In the event that, on December 15, 2064 any amount of principal of or interest on the Series 2024B Bonds remains unpaid after application of all Subordinate Pledged Revenue available therefor in accordance with the Subordinate Indenture, the Series 2024B Bonds and the lien of the Subordinate Indenture securing payment thereof is to be deemed discharged.

The Series 2024B 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 2024B Indenture, the District has further covenanted to levy a Subordinate Required Mill Levy each year in the amount equal to (i) 48 mills (as adjusted from January 1, 2009) 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 2024B Bonds in full.

The District has no operating or capital leases.

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

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 2024A Bonds.

This information is an integral part of the accompanying budget.

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

\$98,955,000

Limited Tax General Obligation & Special Revenue Refunding and Improvement Bonds

Series 2024A

Dated October 11, 2024

Principal due December 1,

Interest Rate of 5.000%

Payable June 1 and December 1

Year Ended December 31,	Principal	Interest	Total
2025	\$ 75,000	\$ 4,831,063	\$ 4,906,063
2026	565,000	4,827,313	5,392,313
2027	1,245,000	4,799,033	6,044,033
2028	1,305,000	4,736,813	6,041,813
2029	1,370,000	4,671,563	6,041,563
2030	1,440,000	4,603,063	6,043,063
2031	1,515,000	4,531,063	6,046,063
2032	1,590,000	4,455,313	6,045,313
2033	1,670,000	4,375,813	6,045,813
2034	1,750,000	4,292,313	6,042,313
2035	1,840,000	4,204,813	6,044,813
2036	1,930,000	4,112,812	6,042,812
2037	2,025,000	4,016,313	6,041,313
2038	2,130,000	3,915,063	6,045,063
2039	2,235,000	3,808,563	6,043,563
2040	2,345,000	3,696,813	6,041,813
2041	2,465,000	3,579,563	6,044,563
2042	2,590,000	3,456,313	6,046,313
2043	2,715,000	3,326,813	6,041,813
2044	2,855,000	3,191,063	6,046,063
2045	2,995,000	3,048,313	6,043,313
2046	3,145,000	2,898,563	6,043,563
2047	3,305,000	2,741,313	6,046,313
2048	3,470,000	2,576,063	6,046,063
2049	3,640,000	2,402,563	6,042,563
2050	3,825,000	2,220,563	6,045,563
2051	3,980,000	2,062,781	6,042,781
2052	4,145,000	1,898,606	6,043,606
2053	4,315,000	1,727,625	6,042,625
2054	4,495,000	1,549,631	6,044,631
2055	4,680,000	1,364,213	6,044,213
2056	4,925,000	1,118,513	6,043,513
2057	5,185,000	859,950	6,044,950
2058	5,455,000	587,738	6,042,738
2059	5,740,000	301,347	6,041,347
	<u>\$ 98,955,000</u>	<u>\$ 110,789,261</u>	<u>\$ 209,744,261</u>

No assurance provided. See summary of significant assumptions.