

THE CANYONS METROPOLITAN DISTRICT NO. 6
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

**CANYONS METROPOLITAN DISTRICT NO. 6
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/22/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 1,751,478	\$ 1,702,437	\$ 1,730,331
REVENUES			
Property taxes	376,293	519,973	963,800
Specific ownership taxes	33,324	46,798	86,742
Interest income	30,683	85,025	95,080
Developer advance	22,095	47,612	19,152
Facilities fees	122,000	75,000	85,000
PIF revenue	183,121	95,000	105,000
Recognition of Costs	3,123,630	2,954,555	3,482,848
Total revenues	<u>3,891,146</u>	<u>3,823,963</u>	<u>4,837,622</u>
Total funds available	<u>5,642,624</u>	<u>5,526,400</u>	<u>6,567,953</u>
EXPENDITURES			
General Fund	55,744	65,159	90,000
Debt Service Fund	739,661	763,855	1,241,081
Capital Projects Fund	3,144,782	2,967,055	3,502,000
Total expenditures	<u>3,940,187</u>	<u>3,796,069</u>	<u>4,833,081</u>
Total expenditures and transfers out requiring appropriation	<u>3,940,187</u>	<u>3,796,069</u>	<u>4,833,081</u>
ENDING FUND BALANCES	<u>\$ 1,702,437</u>	<u>\$ 1,730,331</u>	<u>\$ 1,734,872</u>
EMERGENCY RESERVE	\$ 1,200	\$ 1,600	\$ 2,900
RESERVE FUND	1,122,310	1,127,731	1,127,731
SURPLUS FUND	600,000	600,000	600,000
TOTAL RESERVE	<u>\$ 1,723,510</u>	<u>\$ 1,729,331</u>	<u>\$ 1,730,631</u>

CANYONS METROPOLITAN DISTRICT NO. 6
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

Residential - Single Family	\$ 10,892,130	\$ 27,342,740	\$ 54,496,130
Agricultural	7,450	5,700	5,800
State assessed	700	3,800	3,700
Vacant land	19,102,940	15,271,150	16,934,070
Personal property	771,690	676,550	1,056,980
Natural resources	2,250	2,250	2,170
	30,777,160	43,302,190	72,498,850

MILL LEVY

General	1.112	1.091	1.208
Debt Service	11.132	10.917	12.086
Total mill levy	12.244	12.008	13.294

PROPERTY TAXES

General	\$ 34,224	\$ 47,243	\$ 87,579
Debt Service	342,611	472,730	876,221
Levied property taxes	376,835	519,973	963,800
Adjustments to actual/rounding	(2)	-	-
Refunds and abatements	(540)	-	-
Budgeted property taxes	\$ 376,293	\$ 519,973	\$ 963,800

BUDGETED PROPERTY TAXES

General	\$ 34,167	\$ 47,243	\$ 87,579
Debt Service	342,126	472,730	876,221
	\$ 376,293	\$ 519,973	\$ 963,800

**CANYONS METROPOLITAN DISTRICT NO. 6
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/22/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ (2,187)	\$ (8,031)	\$ 1,600
REVENUES			
Property taxes	34,167	47,243	87,579
Specific ownership taxes	3,026	4,252	7,882
Interest income	15	25	80
Developer advance	12,692	23,270	-
Total revenues	<u>49,900</u>	<u>74,790</u>	<u>95,541</u>
Total funds available	<u>47,713</u>	<u>66,759</u>	<u>97,141</u>
EXPENDITURES			
General and administrative			
Accounting	25,780	34,000	37,500
Auditing	5,200	5,400	5,700
County Treasurer's fee	513	709	1,314
Directors' fees	-	500	1,000
Dues and membership	320	329	400
Election	3,180	2,000	-
Insurance	2,784	3,021	3,500
Legal	17,387	18,500	21,000
Miscellaneous	580	700	1,000
Repay developer advance	-	-	16,500
Contingency	-	-	2,086
Total expenditures	<u>55,744</u>	<u>65,159</u>	<u>90,000</u>
Total expenditures and transfers out requiring appropriation	<u>55,744</u>	<u>65,159</u>	<u>90,000</u>
ENDING FUND BALANCES	<u>\$ (8,031)</u>	<u>\$ 1,600</u>	<u>\$ 7,141</u>
EMERGENCY RESERVE	<u>\$ 1,200</u>	<u>\$ 1,600</u>	<u>\$ 2,900</u>
TOTAL RESERVE	<u>\$ 1,200</u>	<u>\$ 1,600</u>	<u>\$ 2,900</u>

No assurance provided. See summary of significant assumptions.

CANYONS METROPOLITAN DISTRICT NO. 6
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/22/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 1,753,758	\$ 1,722,310	\$ 1,728,731
REVENUES			
Property taxes	342,126	472,730	876,221
Specific ownership taxes	30,298	42,546	78,860
PIF revenue	183,121	95,000	105,000
Interest income	30,668	85,000	95,000
Facilities fees	122,000	75,000	85,000
Total revenues	<u>708,213</u>	<u>770,276</u>	<u>1,240,081</u>
Total funds available	<u>2,461,971</u>	<u>2,492,586</u>	<u>2,968,812</u>
EXPENDITURES			
General and administrative			
Accounting	1,928	1,500	2,000
County Treasurer's fee	5,141	7,091	13,143
Paying agent fees	5,500	8,500	8,500
Debt Service			
Bond Interest - Series 2017A	722,750	722,750	722,750
Bond Interest - Series 2017B	-	24,014	494,688
Bond Interest - Series 2016	4,342	-	-
Total expenditures	<u>739,661</u>	<u>763,855</u>	<u>1,241,081</u>
Total expenditures and transfers out requiring appropriation	<u>739,661</u>	<u>763,855</u>	<u>1,241,081</u>
ENDING FUND BALANCES	<u>\$ 1,722,310</u>	<u>\$ 1,728,731</u>	<u>\$ 1,727,731</u>
RESERVE FUND	\$ 1,122,310	\$ 1,127,731	\$ 1,127,731
SURPLUS FUND	600,000	600,000	600,000
TOTAL RESERVE	<u>\$ 1,722,310</u>	<u>\$ 1,727,731</u>	<u>\$ 1,727,731</u>

No assurance provided. See summary of significant assumptions.

**CANYONS METROPOLITAN DISTRICT NO. 6
CAPITAL PROJECTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/22/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ (93)	\$ (11,842)	\$ -
REVENUES			
Developer advance	9,403	24,342	19,152
Acceptance of reimbursable costs	3,123,630	2,954,555	3,482,848
Total revenues	<u>3,133,033</u>	<u>2,978,897</u>	<u>3,502,000</u>
Total funds available	<u>3,132,940</u>	<u>2,967,055</u>	<u>3,502,000</u>
EXPENDITURES			
General and Administrative			
Accounting	360	2,500	3,500
Legal	2,040	10,000	13,000
Contingency	-	-	2,652
Capital Projects			
Recognition of Costs	3,123,630	2,954,555	3,482,848
Bond issue costs	18,752	-	-
Total expenditures	<u>3,144,782</u>	<u>2,967,055</u>	<u>3,502,000</u>
Total expenditures and transfers out requiring appropriation	<u>3,144,782</u>	<u>2,967,055</u>	<u>3,502,000</u>
ENDING FUND BALANCES	<u>\$ (11,842)</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

THE CANYONS METROPOLITAN DISTRICT NO. 6
2024 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 - 5 and 7 - 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 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. 5 and 7.

On 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. 6
2024 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 12.086 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 9% of the property taxes collected.

**THE CANYONS METROPOLITAN DISTRICT NO. 6
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

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.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 5%.

Facilities Fees

The District imposes a Facilities Fee in the amount of \$1,000 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. Twenty percent (20%) of the PIF Revenue is collected by the District and pledged to the payment of the 2016 and 2017 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 Expenditures

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.

**THE CANYONS METROPOLITAN DISTRICT NO. 6
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures – (continued)

Debt Service

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

The District anticipates making 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.

Debt and Leases

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

On May 24, 2017 the District issued \$11,800,000 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.

THE CANYONS METROPOLITAN DISTRICT NO. 6
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (continued)

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 \$600,000. 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 \$1,127,731.

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 10 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 10 mills (as adjusted to 11.132), 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 \$2,997,000 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. 6
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

Series 2017B Subordinate Limited Tax General Obligation and Special Revenue Bonds
(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) 10 mills (as adjusted from January 1, 2009 to 11.132) 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 \$17,107,520 and, of such amount, the District has issued \$309,339 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 used to refund the outstanding balance of the Series 2016 Bonds in the principal amount of \$309,339. The 2016 First Supplement decreased the total authorized principal amount of the Series 2016 Bonds from \$17,107,520 to \$2,794,339 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 CANYONS METROPOLITAN DISTRICT NO. 6
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (continued)

The District entered into the 2016 Second Supplement to increase the total authorized aggregate principal amount to \$6,911,339 (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, through September 29, 2023.

The 2016 Indenture and related documents allow for additional draws on the 2016 Bonds of up to \$6,602,000 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 \$2,485,000 of principal and on September 29, 2020, the District issued \$1,113,000 of principal, which has resulted in an authorized and unissued aggregate principal balance of \$3,004,000. 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. 6
2024 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 10 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.

Due to the uncertainty of the timing of the principal and interest payments on the Series 2016 Bonds, a schedule of the timing of these payments is not available.

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.

The District maintains a Surplus Fund with a maximum amount of \$600,000.

This information is an integral part of the accompanying budget.

**The Canyons Metropolitan District No. 6
Schedule of Long-Term Obligations**

	Balance at December 31, 2022	Additions*	Repayments*	Balance at December 31, 2023*	Additions*	Repayments*	Balance at December 31, 2024*
Limited Tax GO and Special Revenue Refunding and Improvement Bonds Series 2017A - Principal	\$ 11,800,000	\$ -	\$ -	\$ 11,800,000	\$ -	\$ -	\$ 11,800,000
Subordinate Limited Tax GO and Special Revenue Bonds Series 2017B - Principal	2,997,000	-	-	2,997,000	-	-	2,997,000
Discount on Series 2017 Limited Tax GO and Special Revenue Bonds Series 2016 - Principal	(93,353)	4,981	-	(88,372)	4,981	-	(83,391)
Subordinate Limited Tax GO and Special Revenue Bonds Series 2017B - Interest	6,602,000	-	-	6,602,000	-	-	6,602,000
Limited Tax GO and Special Revenue Bonds Series 2016 - Interest	1,602,291	343,929	24,014	1,922,206	419,472	463,250	1,878,428
Total Bonds Payable	<u>23,978,832</u>	<u>860,550</u>	<u>24,014</u>	<u>24,815,368</u>	<u>997,370</u>	<u>463,250</u>	<u>25,349,488</u>
Developer Advances - Operations - Principal	220,433	23,270	-	243,703	-	16,500	227,203
Developer Advances - Operations - Interest	50,922	14,706	-	65,628	14,952	-	80,580
Developer Advances - Capital - Principal	18,606	24,342	-	42,948	19,152	-	62,100
Developer Advances - Capital - Interest	989	2,018	-	3,007	3,427	-	6,434
Public Improvement Reimbursement Agreement	3,379,236	2,954,555	-	6,333,791	3,482,848	-	9,816,639
Public Improvement Reimbursement Agreement - Interest	242,799	221,592	-	464,391	261,214	-	725,605
Total Developer Advance Payable	<u>3,912,985</u>	<u>3,240,483</u>	<u>-</u>	<u>7,153,468</u>	<u>3,781,593</u>	<u>16,500</u>	<u>10,918,561</u>
Total	<u>\$ 27,891,817</u>	<u>\$ 4,101,033</u>	<u>\$ 24,014</u>	<u>\$ 31,968,836</u>	<u>\$ 4,778,963</u>	<u>\$ 479,750</u>	<u>\$ 36,268,049</u>

* Estimate

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITIAN DISTRICT NO. 6
SCHEDULE OF DEBT SERVICE CASH REQUIREMENTS TO MATURITY**

\$11,800,000

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

Bonds and Interest Maturing in the Year Ending December 31,	Principal	Interest	Total
2024	\$ -	\$ 722,750	\$ 722,750
2025	-	722,750	722,750
2026	5,000	722,750	727,750
2027	65,000	722,444	787,444
2028	135,000	718,463	853,463
2029	195,000	710,194	905,194
2030	255,000	698,250	953,250
2031	280,000	682,631	962,631
2032	315,000	665,481	980,481
2033	335,000	646,188	981,188
2034	375,000	625,669	1,000,669
2035	400,000	602,700	1,002,700
2036	445,000	578,200	1,023,200
2037	470,000	550,944	1,020,944
2038	520,000	522,156	1,042,156
2039	555,000	490,306	1,045,306
2040	605,000	456,313	1,061,313
2041	645,000	419,256	1,064,256
2042	705,000	379,750	1,084,750
2043	750,000	336,569	1,086,569
2044	815,000	290,631	1,105,631
2045	865,000	240,713	1,105,713
2046	940,000	187,731	1,127,731
2047	2,125,000	130,156	2,255,156
	<u>\$ 11,800,000</u>	<u>\$ 12,822,995</u>	<u>\$ 24,622,995</u>